

# The ORIENTAL ECONOMIST

ESTABLISHED 1934

L. XXIV

OCTOBER, 1956

No. 552

U.S. Aide Memoire

Widening Wage Gaps

China & Western Europe

Sohyo's New Wage Formula

New Moscow Talks & Territory Issue

Socialist Party Responsibilities

Japan's Aircraft Industry

Farm Economy of Japan

Beer's "Big 3"

Fire & Marine Insurance

Price Movements



Most reliable and  
experienced marine &  
fire insurance company  
in Japan

Main Insurance Business

Marine, Fire, Transit, Accident, Auto-  
mobile, Aviation, Fidelity, Export credit,  
Burglary, Race horse, Surety, Plate-  
glass, Wind storm and Flood, Automobile  
liability, Public liability, Machinery in-  
surances and Reinsurances thereof

# THE SUMITOMO

MARINE & FIRE INSURANCE CO., LTD.

President; T. HANAZAKI

Head Office: No. 1, Yaesu 2-chome, Chuo-ku, Tokyo, Japan

Cable Address: SUMITKAIJO TOKYO

Branches: Osaka, Kobe, Yokohama and throughout Japan

Foreign Exchange Bank



# THE BANK OF TOKYO, LTD

HEAD OFFICE: NIHOMBASHI, TOKYO, JAPAN

★ OVERSEAS OFFICES ★

New York • Rio de Janeiro • Buenos Aires • London • Hamburg •  
Alexandria • Calcutta • Bombay • Karachi • Hong Kong

★ AFFILIATE ★

THE BANK OF TOKYO OF CALIFORNIA  
San Francisco • Los Angeles • Gardena

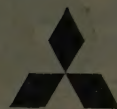
★ DOMESTIC OFFICES ★

Tokyo • Yokohama • Nagoya • Osaka • Kobe  
and Other Main Cities in Japan

★ SUBSIDIARY ★

THE BANK OF TOKYO TRUST CO.  
New York

FOR COMPREHENSIVE  
BANKING and  
FOREIGN EXCHANGE  
FACILITIES



**THE MITSUBISHI BANK LTD.**

**CAPITAL PAID-UP:** ¥5,500,000,000  
**HEAD OFFICE:** Marunouchi, Tokyo  
**BRANCHES:** 155 throughout Japan

**NEW YORK BRANCH:** 120 Broadway, New York 5, N.Y.  
**LONDON BRANCH:**  
82, King William Street, London, E.C. 4



**SANWA BANK**

THE SANWA BANK, LIMITED



**HEAD OFFICE:** *Fushimimachi, OSAKA*

A complete network of 184 branches in  
Japan and worldwide correspondents

**OVERSEAS OFFICES**  
**SAN FRANCISCO BRANCH**  
*465 California St., San Francisco*  
*California, U.S.A.*

**NEW YORK REPRESENTATIVE OFFICE**  
*New York, U.S.A.*

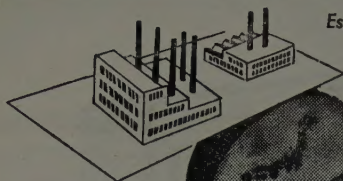
**LONDON REPRESENTATIVE OFFICE**  
*London, England*

**TAIPEI REPRESENTATIVE OFFICE**  
*Taipei, Formosa*



**FIRST**  
in  
*Industrial Finance*

Established : 1902



*Worldwide International Banking*

**THE  
INDUSTRIAL BANK  
OF JAPAN, LTD.**

HEAD OFFICE : Marunouchi, Tokyo

NEW YORK OFFICE :

30 Broad Street New York 4, N.Y.

# MAMIYA-6

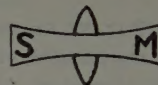
Tops in popularity, finest Japan-made folding camera built-in coupled range-finder, with patented original moving plane focusing, rigid lens. The focusing is possible either in close or open position of the camera. All controls are well grouped for fast simple manipulation.



*The camera*

*of cameras*

- \* Model V has coated 75mm f/3.5 ZUIKO lens, SEIKOSHA-RAPID shutter, 9 speeds 1 to 1/500, plus B, automatic film wind stop & exposure counter, and double exposure prevention device.
- \* K has coated SEKOR T. f/3.5 75mm lens, and COPAL 1 to 1/300 plus B, delayed timing device.
- \* Takes 12 or 16 pictures on each roll of 120 film.



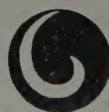
**MAMIYA CAMERA CO., LTD.**

No. 7 1-chome Hongo, Bunkyo-ku, Tokyo

*the*

# TOKIO MARINE & FIRE INSURANCE CO., LTD.

JAPAN'S OLDEST AND LARGEST  
NON-LIFE INSURANCE COMPANY



PAID UP CAPITAL ¥ 4,000,000,000  
VARIOUS RESERVES ¥ 13,645,000,000



(ESTABLISHED 1879)

INSURANCE AND REINSURANCE: ALL CLASSES EXCEPT LIFE

HEAD OFFICE : 6, 1-chome, Marunouchi, Chiyoda-ku, Tokyo, Japan

# The ORIENTAL ECONOMIST

VOL. XXIV

OCTOBER 1956

No. 552

## Contents

REVIEW OF THE MONTH :	Page
New Moscow Talks & Territory Issue . . . . .	473
U.S. Aide Memoire . . . . .	474
China & Western Europe . . . . .	474
Sohyo's New Wage Formula . . . . .	475
<b>BUSINESS INDICATORS :</b>	
Production • Consumer Demand • Inventories • Prices • Living Cost . . . . .	476
<b>MONEY &amp; BANKING :</b>	
Continued Firmness • Payment Reserve . . . . .	478
<b>STOCK MARKET :</b>	
Below 500 mark • Capital Increase Impact • Fair Yields • Buying at Declines . . . . .	479
<b>LEADING ARTICLES :</b>	
Socialist Party Responsibilities . . . . .	481
Price Movements . . . . .	482
Farm Economy of Japan . . . . .	484
Widening Wage Gaps . . . . .	488
<b>KALEIDOSCOPE :</b>	
“National” Cars • Coal Supply-Demand • Shipbuilding • Wage Earnings • Cement Exports • Trade Credit Corp. • Two Sides • Power Shortage . . . . .	490
<b>INDUSTRY :</b>	
Fire & Marine Insurance . . . . .	492
<b>VIEWS &amp; TOPICS :</b>	
Japan's Aircraft Industry . . . . . <i>By Shoichi Ueda</i>	498
<b>GLIMPSES OF JAPANESE CULTURE :</b>	
Contemporary Japanese Painting . . . . . <i>By Atsuo Imaizumi</i>	502
<b>COMMODITY MARKET :</b>	
Cotton Goods • Chemical Fibres • Woollen Yarn • Raw Silk . . . . .	504
<b>LABOR :</b>	
Sohyo's Meeting Held • Changes in Principles • U.S. Garrison Forces Employees Strike • More Jobs, Less Unemployed . . . . .	505
<b>FOREIGN TRADE :</b>	
Trade in August • Foreign Exchange Budget • Bumper Crop & Rice Imports • Surplus Farm Produce from America . . . . .	506
<b>INVESTMENT OUTLOOK :</b>	
Beer's “Big 3” . . . . .	508
<b>BOOK REVIEW :</b> . . . . .	510
<b>STATISTICS :</b> . . . . .	511

## Review of the Month

FOLLOWING upon the failure of Soviet-Japanese peace negotiations on the so-called peace treaty formula over the territorial issue, the Hatoyama Government has decided to start Moscow-Tokyo talks anew on the basis of a new formula calling for the conclusion of a provisional peace agreement with the territorial problem left for later discussions. In accordance with this decision, the Japanese Government on September 1 cabled a personal note of Prime Minister Ichiro Hatoyama to Soviet Premier Nicolai Bulganin officially sounding out the Soviet opinion on a resumption of the Soviet-Japan peace talks. The Hatoyama message was sent after the Government had sought the personal view of Georgei O. Tichvinsky, chief of the Soviet fisheries mission in Tokyo. The Hatoyama note was summarized as follows: 1) Shelving of the controversial territorial issue for the time being, pending further negotiations in the future; 2) *a* Termination of the technical state of war, *b* Exchange of ambassadors, *c* Repatriation of Japanese detainees in the Soviet Union, *d* Soviet endorsement of Japan's membership to the United Nations, and *e* Effectuation of the Soviet-Japanese Fisheries Agreement; and 3) Adoption of various terms already agreed upon by the two countries at past negotiations in London and Moscow.

Premier Bulganin's reply to the Hatoyama note, delivered to the Japanese Prime Minister by Mr. Tichvinsky on September 15, is reported to have 1) expressed the Soviet readiness to reopen negotiations on the basis of the five principles contained in the Hatoyama note, 2) manifested willingness to talk further over the points agreed upon at London and Moscow, and 3) welcomed Prime Minister Hatoyama's visit to the Soviet capital; but refrained from touching upon the Japanese proposal to postpone the decision on the territory issue pending future discussions. The anti-main-current faction of the Liberal-Democratic Party opposed Hatoyama's planned visit to Moscow on the ground that Bulganin's reply did not give definite assurances on Japan's proposal to shelve the territorial issue for continued negotiations at a later stage made as a prerequisite to the Hatoyama formula. They pointed out that the absence of a clear-cut understanding between the two countries on the problem of continued negotiations over the territory problem might tempt Prime Minister Hatoyama at Moscow to sidetrack the territorial issue for good, as it is commonly accepted by International Law that the title of an occupied territory would go to the occupying power in the absence of a definite understanding for continued negotiations thereupon between the

Entire Contents of this publication are copyrighted. The Oriental Economist does not necessarily endorse the views expressed by authors of signed articles.

Single copies ¥180; Annual subscription ¥2,100; Overseas ¥2,300.

Published monthly by The Oriental Economist, Nihonbashi, Tokyo, Japan.

countries concerned. In connection with the opposition on such a ground, the Government decided to dispatch Ambassador Shunichi Matsumoto to Moscow to sound out Moscow further on the territorial problem. Thus, the fate of the new Soviet-Japanese negotiations now depends on the attitude of the Kremlin towards the shelving of the territory problem.

In the meantime, the Liberal-Democratic Party on September 17 formally decided on the party policy towards the Soviet-Japan peace negotiations to be resumed at Moscow, as follows: 1) Unconditional and immediate repatriation of the Japanese detainees in the Soviet Union (to be arranged in a separate document); 2) Relative to the territorial issue *a* Immediate return of Habomai and Shikotan; *b* Maintenance of the claim that Kunashiri and Etorofu are the native territories of Japan and the continued Soviet-Japan negotiations over the complete recovery of Japan's sovereignty over the two islands after the effectuation of the peace treaty expected to be concluded between the two countries; (3) No violation of the San Francisco Peace Treaty relative to other territories: 3) Incorporation of the matters agreed upon in the last stage of the negotiations at London and Moscow (at least the Soviet support to the independent Japanese participation in the United Nations, respect for the United Nations Charter and non-interference in domestic affairs) incorporated into the proposed peace treaty and the exclusion of the Soviet proposal regarding the passage through the straits.

The stand of the Liberal-Democratic Party differs from that of the Japan Socialist Party in that the former draws an exact line between Habomai and Shikotan on one part and Etorofu and Kunashiri on the other in connection with the territorial issue while the latter proposes the continuance of bracket negotiations on the territorial problem. In other respects, the two parties stand almost on an equal footing towards the new Soviet-Japan negotiations, and hence, the Socialists are supporting the Government's new attempt at rapprochement with Moscow. The Socialist stand is summarized as follows: 1) Immediate termination of war; 2) Exchange of ambassadors; 3) Immediate repatriation of Japanese detainees; 4) Effectuation of the fisheries pact; 5) Soviet support of Japan's membership in the United Nations and the continued negotiations on the territorial issue.

**T**HERE is no doubt that the United States aide memoire to the Japanese Government on the Soviet-Japan peace negotiations, announced jointly in Tokyo and Moscow on September 13, came as a strong support to the Japanese negotiators. Commenting on the territorial problem, the U.S. aide memoire said that the United States "has reached the conclusion after careful examination of the historical facts

that the islands of Etorofu and Kunashiri (along with Habomai and Shikotan islands which are a part of Hokkaido) have always been part of Japan Proper and should in justice be acknowledged as under Japanese sovereignty." Referring to the Yalta Agreement on which the Soviet Union has been basing its claim to the two islands in question, the Washington Government flatly denied its legal validity declaring that "the United States regards the so-called Yalta Agreement as simply a statement of common purposes by the then heads of the participating powers, and not as a final determination by those powers or of any legal effect in transferring territories." The U.S. aide memoire is certainly a very powerful prop offered to endorse the stand of Japan in its talks with Moscow, and yet the Japanese Government has failed to take the least advantage of this internationally-declared support. Dazzled by factional strife which has become increasingly intensified within the Liberal-Democratic Party and in excessive haste to fulfil its long-standing pledge, the Government appears ready to conclude peace negotiations with Moscow at unreasonably unfavorable terms to the worry of the Japanese people. Japan has still time to rescrutinize the conditions on which the new talks with the Kremlin are going to start and the Government is urged not to compromise on any terms liable to cause an undying regret to the nation.

**T**HE urgent need of rescrutinizing the Japanese trade policy towards China has come to be strongly voiced in Japanese trading circles after the discouraging belatedness of Japanese commercial activities in the Chinese market as compared with those of Western countries was criticized in a report made by a Japanese trade mission which recently returned from an extensive inspection tour of the Chinese Continent.

#### CHINA & WESTERN EUROPE

The vast area of Communist China has been steadily developing from a market within the Soviet bloc into one of the most promising international markets, and this change has been particularly evident since about April or May, this year. Export offers of heavy industrial products from Western European countries to Communist China have become increasingly active in recent months as the pattern of Sino-European commercial transactions has been undergoing a drastic change. The growing enthusiasm on the part of European countries to sell heavy machines to China is well justifiable as bulky sales of machinery installations this year certainly can be taken to assure the repetition of similar orders some years later. According to the report of the Japanese trade mission under review, leading members of COCOM such as Britain, France, West Germany, Italy and Belgium have been endeavoring to free themselves from the past COCOM frames to accept contracts for restricted

items. For instance, Britain, the report said, has concluded contracts to supply trucks (3.5-ton capacity), tractors (100-150 H.P.) and cargo boats (10,000-tonners) and is arranging for new orders for generators, vessels and locomotives. To obtain contracts for the sales of such heavy machinery items, Britain has dispatched export trade missions to Peking one after another for concrete negotiations. France, on its part, has recently completed a contract to supply 100,000 tons of steel materials (at the monthly rate of 10,000 tons) while Krupp Works (West Germany) has obtained permit from the Peking Government for a four-month sojourn in China of its technical mission (an executive, an engineer and a business manager) to negotiate for the sales of a set of machine tools (for processing steel materials). This contract, if realized, is reported to amount to the sum far larger than the annual trade volume of Japan with China (Japanese exports to China in 1955 totalled \$28 million). Belgium is approaching Peking for the sales of steel materials and engines. With all Western countries making positive gestures to sell their specialties to Communist China apparently with little regard to COCOM restrictions, chances for Japan regaining its old market in the China Continent are bound to grow slimmer if it continues to observe blindly the almost-antiquated COCOM bans to the letter without taking some effective measures to cope with changing circumstances. While it does not necessarily follow that the abolition of existing restrictions on trade with Communist China will immediately enable Japanese transactions with that country to swell to any sizable proportions overnight, Japan, nevertheless, will come to find it easier to speak business more frankly with Peking without being handicapped by any political strings.

China possesses many raw materials wanted by Japan such as iron ore, coal and salt which will serve as ideal collateral for industrial manufactures which the former demands from the latter, and there is absolutely no reason why trade between the two countries should not grow.

**S**OHYO (General Council of Japanese Trade Unions) at its executive meeting on September 21 decided on a new "struggle" policy to urge the Government (through management) to enact a minimum wage

#### SOHYO'S NEW WAGE FORMULA

law at the Diet session due to convene early in 1957. The new Sohyo minimum wage formula

calls for the elevation of the lowest pay of workers in all industries to the ¥8,000 mark monthly. Admitting that Japanese business has been enjoying a fair boom, it is still a very difficult task for the Japanese economy to create a legal plan to guarantee the minimum monthly wage of ¥8,000 for bachelor of 18 years. It is also problematic whether trade unions in key industries can be patient enough to continue strikes to compel the legalization of the proposed minimum wage formula for their "comrades" in smaller industries after having succeeded in getting their own wages raised. It is

very likely that strikes aimed at achieving any legal steps will be criticized by public opinion as political moves. Financial circles have already opposed the minimum wage plan as an impractical claim in entire disregard of the status quo of the national economy by referring to specific figures. They state that there were about 6,000,000 workers with monthly wages less than ¥8,000 in small businesses and industries, according to the Ministry of Labor Statistics issued in January, this year, with their average monthly pay standing at ¥5,500. The elevation of the monthly wage of all those lowly-paid workers to ¥8,000 will demand the extra monthly spending of ¥15,000 million or the annual total financial resource of ¥180,000 million, they opine, adding that the extra appropriation of such a gigantic sum in the ¥1,000,000 million national budget is an impossibility. Fostering small businesses and industries into better-earning and more stabilized enterprises is the prerequisite to the elevation of the minimum wages for their employees. To that end, it is urgently necessary to enhance their productivity and improve their sub-contract relations with key industries. Next, as Zenro (Congress of Japan Trade Unions: next to Sohyo in membership) has been suggesting, the minimum wage agreements should first be arranged with proprietors by industry and region and then gradually put on a national scale. The above two measures are more realistic and practical for the present Japanese economic conditions.

Sohyo has been opposed to the need of productivity expansion on the ground that it would create unemployment. A country like Japan, poor in natural resources and dense in population, has no way to survive except through foreign trade. Japan is certain to be left far behind in the arena of international competition if it stands satisfied with the low production efficiency when other countries are incessantly striving for productivity promotion. Japanese exports in that case will tend to decline and unemployment will grow with the wage cut resulting as an inevitable outcome. Greater productivity will naturally enrich Japan economically and any surplus in operatives may sufficiently be absorbed into new enterprises. Larger earnings may well be divided fairly between capital and labor. Any movement opposing the expansion of productivity at all hazards should be taken as a gesture carrying political rather than economic intents. On this point, Zenro is criticizing Sohyo as excessively exaggerating the demerits of productivity promotion to the complete neglect of its constructive advantages. After all, controversies over the merits and demerits of productivity expansion have been excessively abstract and ideological. Japan now stands at a stage where more concrete studies and more constructive suggestions for the furtherance of merits and elimination of demerits in the process of productivity promotion have become urgently essential.

## Business Indicators

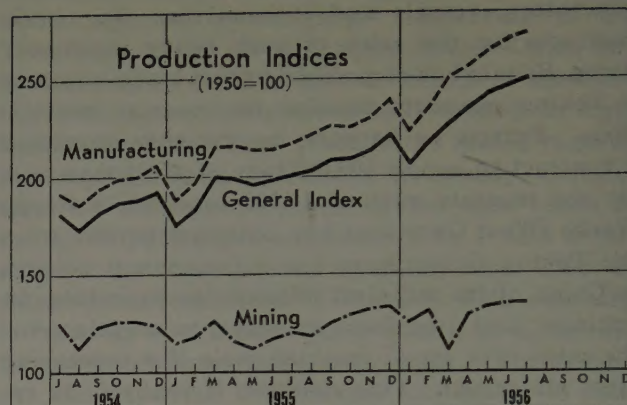
**Production:**—The pickup in production, increasingly evident since last fall, has continued unfettered as well indicated by the production index (1950 as 100), which jumped to 250.2, more than 2.5-fold the 1950 mark and up 25% over the like month in 1955. The July gains were especially conspicuous for steel ships and machinery, the former gaining 2.4-fold and the latter hiking 57% as compared with the figures for the corresponding month last year, due to the continuance of the shipbuilding boom and the rally of equipment investments. Increases exceeding 20% were also registered by iron-steel, non-ferrous metals, textiles, chemicals, ceramics, rubber and hides-leathers. In the latter group, iron-steel, despite the gain of over 24%, grew markedly undersupplied chiefly because of a sharp hike in demand from shipbuilders, machinery manufacturers and constructors. To cope with the situation, exports have been checked considerably and imports of scrap steel and steel materials have been encouraged by additional foreign exchange allocations. The steel supply shortage has been tending to curb the smooth growth of equipment investments with many building starts suspended or postponed. On the other hand, cotton spinning and gasoline have been apparently over-produced and the oversupply of cement and ammonium sulphate is also feared if present equipment expansion plans progress without delay. Under the impact of such new deterrents, therefore, the rising tempo of production is likely to slacken sooner or later.

1. JULY PRODUCTION INDICES  
(1950=100)

	June, 1956	July, 1956	Against June, 1956	Against July, 1955
Mining-Manufacturing .....	247.1	250.2	101.3	125.0
Mining .....	134.5	134.9	100.3	112.0
Manufacturing .....	270.3	273.9	101.3	126.5
Iron & Steel .....	233.9	236.8	101.2	124.2
Non-Ferrous Metals .....	202.2	204.6	101.2	124.2
Machinery .....	290.9	298.9	102.8	156.6
Steel Ships .....	600.5	600.5	100.0	236.3
Rolling Stocks .....	155.8	155.8	100.0	208.3
Textiles .....	301.8	305.1	101.1	122.6
Paper & Pulp .....	286.2	288.2	100.7	115.6
Chemicals .....	254.5	254.5	100.0	121.7
Pharmaceuticals .....	1,132.2	1,132.2	100.0	117.9
Oil Products .....	462.1	496.4	107.4	133.9
Ceramics .....	211.0	219.6	104.1	123.0
Rubber Goods .....	172.6	178.5	103.4	126.1
Leather Goods .....	273.6	288.0	105.3	131.4
Daily Necessaries .....	226.4	223.1	98.5	166.7
Lumber .....	167.6	167.6	100.0	115.2
Foodstuffs .....	213.7	213.7	100.0	94.1
Tobacco .....	140.7	140.7	100.0	91.9

Source: MITI.

**Consumer Demand:**—General demand has continued active. Japanese exports during the January-August period this year totalled nearly \$1,800 million, up more than \$380 million (or 23%) over the like period in 1955. According to customs figures, the exports of ships were particularly brisk during



the period by registering a four-fold hike over a year ago. January-August shipments were also 50% larger for silk fabrics, 45% up for spun rayon textiles, and 32% and about 20% bigger for rayon filament fabrics and cotton textiles, respectively. Domestic equipment investments have also been brisk. According to the Economic Planning Board, the average monthly receipts of orders for machinery during the January-June period this year were 2.3-fold larger than the like average in 1955. Consumer demand has been equally energetic. For instance, the average consumption level in the urban and suburban areas in the January-May period this year was 6.2% higher than the like average in 1955. Department store sales, one of major indicators of the transition of consumer demand, naturally made a favorable response. The Ministry of International Trade & Industry reported that monthly sales of all department stores throughout the country were nearly 20% higher than a year ago in the first five months of this year and registered a 23% gain in June. An increase well exceeding 20% is believed to have also been made in July, although no official figures have been released as yet.

2. DEPARTMENT STORE SALES

	1953-54		1954-55	
	¥100 million	Indices (A year ago as 100)	¥100 million	Indices (A year ago as 100)
December .....	367.6	106.8	410.2	111.6
January .....	128.3	104.8	145.8	113.6
February .....	120.7	95.1	145.3	120.4
March .....	173.3	106.8	203.1	117.2
April .....	166.3	108.3	196.2	118.0
May .....	147.9	104.7	176.2	119.2
June .....	147.1	107.2	181.1	123.1

Source: Compiled by *The Oriental Economist* from MITI figures.

**Inventories:**—With fair increments noted both in exports and domestic deliveries, manufacturers' inventories have begun to dwindle perceptibly. According to MITI's survey, the balance of manufacturers' inventories declined sharply by 19% during the eight months from August, 1955, to March,

this year, as the increasing tempo of consumer demand outstripped the hiking pace of production. The noteworthy shrinkage of inventories forced the supply-demand balance to grow somewhat stringent for some specific products such as iron-steel and necessitated a new increase in production and imports. Such replenishment measures served to boost manufacturers' inventories by over 7% from April through July while stocks of raw materials at the end of July this year were 21.3% larger than a year ago. For all that, the July-end balance of manufacturers' inventories was still 12.4% smaller than a year ago. Among the major retreatants, mining took the lead with a loss of about 60%, followed by machinery, iron-steel, and textiles.

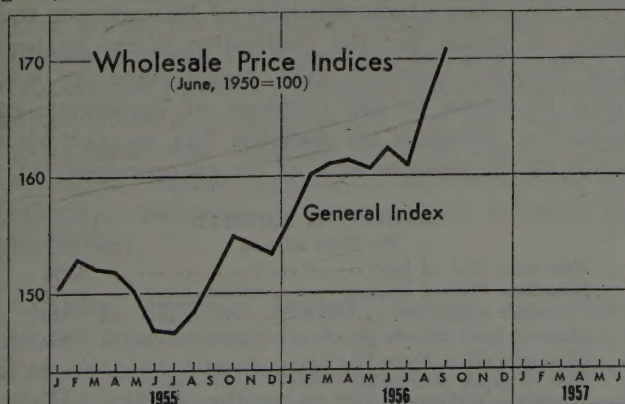
### 3. INDICES OF MANUFACTURERS' INVENTORIES

(1950 average=100)

	June, 1956	July, 1956	Against June, 1956	Against July, 1955
Mining-Manufacturing .....	135.0	136.9	101.4	87.6
Mining .....	58.4	57.5	98.5	43.0
Manufacturing .....	144.8	147.0	101.5	92.4
Iron & Steel .....	162.1	156.3	96.4	85.4
Non-ferrous Metals .....	77.1	79.3	102.9	102.7
Machinery .....	132.0	134.8	102.1	78.1
Textiles .....	118.5	123.1	103.9	87.4
Paper, Pulp .....	301.8	276.2	91.5	106.1
Chemicals .....	233.5	254.2	108.9	110.8
Petroleum, Coal Products ..	157.1	163.2	103.9	113.8
Ceramics .....	143.7	142.1	98.9	94.7
Rubber Goods .....	213.8	217.7	101.8	100.7
Hides, Leathers .....	114.9	117.8	102.5	107.1
Others .....	91.4	87.6	95.8	88.2

Source: Ministry of International Trade & Industry.

**Prices** :—The latest price march has been led by iron and steel products as major steel materials have grown extremely soft on the market and speculative dealings have become rampant for specific items. For example, the average quotations of steel materials in the first week of September were as much as 40% higher than the like quotations as at the close of 1955. The climb amounted to 64% when compared with the June lows (1955). The supply stringency is bound to continue for some time as the production hike has not been enough to catch up with the consumption gain, and the steel market will remain stiff.



As all iron and steel companies have been endeavoring to increase production and the imports of steel materials and scraps are expected to increase through additional foreign exchange allot-

ments, the rampancy of "speculative quotations" will be checked from about October. Copper, nickel and lead and other non-ferrous metals have also been very strong in recent months while machinery, building materials and fuels have continued equally firm. Among building materials, lumber has continued soaring in contrast to the weak tone of cement. In the fuels group, fire-wood and charcoal have considerably firmed up due to the advent of the seasonal demand while petroleum has softened. All groups, as a whole, have been following a bullish zigzag with the lone exception of metals which have been making a solo flight. With the fall crop season around the corner, the prices of food items are bound to slip and other items, more or less oversupplied on the market, will follow suit. All in all, no sharp and abrupt price rally is likely in the coming few months.

### 4. WHOLESALE PRICE INDICES

(June, 1950=100)

	July, 1955	Dec., 1955	Sept., 1956	Against Dec., 1955	Against July 1955
Total Average .....	146.7	153.5	169.2	110.2	115.3
Foodstuffs .....	134.8	143.9	149.6	104.0	111.0
Textiles .....	90.8	89.0	91.2	102.5	100.4
Fuels .....	157.9	160.4	164.6	102.6	104.2
Metals .....	212.1	244.6	328.0	134.1	154.6
Machinery .....	180.9	175.2	187.0	106.7	103.4
Building Materials .....	206.8	206.7	224.4	108.6	108.5
Chemicals .....	100.0	104.0	106.3	102.2	106.3
Sundries .....	135.9	140.0	133.6	95.4	98.3
Consumer Goods .....	131.6	138.8	143.3	103.2	108.9
Producer Goods .....	154.9	161.5	183.3	113.5	118.3
Total Average minus Foodstuffs .....	150.4	164.3	175.3	112.0	116.6

Note: As of mid-month.

Source: Economic Planning Board.

**Living Cost** :—Despite the firm tone of wholesale prices, the cost of living has continued comparatively stable. The latest march of wholesale prices has been led chiefly by iron-steel and non-ferrous metals which have not been directly catering to the demands of the masses. Hence, the household budget has not apparently been much affected, although the housing expense has already begun to hike due to the increasing repair cost. The slip of food prices, however, has offered an effective brake and the consumer price index for July stood 3.1% lower than the June equivalent and 0.1% lower than a year ago. Rent is expected to gain and the closing expense and the sundry spending may also begin to stiffen, but the overall average of the living costs is destined to remain calm on the strength of the prospective dip of food prices in the autumn delivery period.

### 5. TOKYO CONSUMER PRICE INDICES

(1951=100)

	June, 1956	July, 1956	Against June, 1956	Against July 1955
Total Average .....	118.7	115.0	96.9	99.9
Foodstuffs .....	114.3	107.8	94.3	97.3
Staple .....	121.4	121.2	99.8	94.7
Non-staple .....	110.6	100.7	91.0	98.9
Clothing .....	83.6	82.8	99.0	102.5
Light-Fuel .....	136.8	136.4	99.7	100.7
Housing .....	142.7	143.1	100.3	110.8
Miscellaneous .....	141.9	142.0	100.1	120.2

Source: Bureau of Statistics, Prime Minister's Office.

## Money and Banking

**Continued Firmness:**—The money market remained firm throughout August as the briskness of money transactions, in evidence from late May, continued unabated. Under the circumstances, the call market grew tighter with the call rate (simple, unconditional) climbing up to 2.1–2.4 sen per diem. The fact that the call rates have thus eclipsed the official rate of the Bank of Japan (2.0 sen) bespeaks eloquently the extremely scarcity of fund supplies on the short-term loan market. The balance of call money at Tokyo and Osaka, on the other hand, registered a new high at the average of ¥87,500 million. The balance of Bank of Japan loans increased ¥30,100 million during August to register the month-end total of ¥92,600 million, a new peak for the year. Of this month-end total, loans to city banks accounted for ¥85,000 million, indicating that the demand for funds has been excessively dependent upon city quarters. City consumption of short-term governmental notes was extremely inactive as city banks subscribed to only ¥900,000,000 million worth out of the total, issues of ¥157,500 million for the month, forcing the Bank of Japan to accept the huge remainder. Directly responsible for the tight money situation in August was first of all the large excess of financial fund withdrawals during the month. The public-to-Treasury balance for August amounted to ¥39,700 million, far in excess of the originally estimated ¥13,000 million, chiefly because of the unexpectedly large gain in the Treasury's revenue from taxes and governmental enterprises such as the National Railways, telegraph and telephone. The steady increase in corporate and individual incomes due to a new business pickup lent an additional impetus to the trend.

The sharp hike of loans extended by monetary institutions also served to tighten money in August. In the August accounts of all banks, the increase of loans reached ¥86,200 million while the gain of real deposits amounted to only ¥49,200 million, registering the excess of loans at ¥37,000 million. While the excess of government receipts over payments was partly responsible for the smaller gain of deposits and the larger hike of loans, the renewed activity of equipment investments by major industries was the predominant spur to the brisk outflow of loans, and this was particularly the case with city banks. Meanwhile, city banks were unable to meet active demands for funds all by themselves and sought aid from the call market (which in turn depended on provincial banks and the Central Cooperative Bank for Agriculture and Forestry for funds) and relied on loans from the Bank of Japan, whose lending increased as much as ¥30,100 million during the month. On the other hand, the note issue of the Bank of Japan shrank ¥5,000 million during August to the month-end balance of ¥592,500 million, as the public-to-Treasury balance of ¥39,800 million was adequately countered by the ¥30,100 million gain in loans from the Central Bank.

**Payment Reserve:**—The payment reserve system is now under close study by the Monetary System Research Council created at the 24th National Diet session. The Council studied the functions of the proposed system on the basis of various reference data submitted by the Ministry of Finance at its fourth conference on September 7 and will announce its conclusion in early October. The importance of the payment reserve system as a currency movement adjustment measure has been widely recognized and this system has been adopted by all advanced countries of the world except Argentina, Spain and Japan. The payment reserve system as being studied for adoption in this country is a variable cash reserve formula after the U.S. model. The plan reportedly prepared by the Ministry of Finance provides for the following details: 1) The payment reserve is to be set at a certain fixed rate, ranging from the highest of 20 percent and the lowest of 3 percent; 2) The payment reserve system is applicable to city banks and major provincial banks to the exclusion of savings banks and long-term credit banks; 3) Deposits with the Bank of Japan in the form of payment reserves shall be confined only to cash. Valuable securities such as government bonds are not acceptable. The Bank of Japan has been strongly in favor of the adoption of the payment reserve system and the Ministry of Finance is in support of this plan. City banks, on their side, were originally opposed to the immediate application of this system on the following grounds: 1) The official rate, which is not in conformity with the actual monetary situation, should be properly rectified and efforts should be directed towards fostering the discount market before establishing the proposed payment reserve system; 2) Banks are required to hold a comfortable amount of liquid assets to prepare for the establishment of the said system. With money tight and cash holdings small, however, city banks at present cannot afford to comply with the requirements of the said system. With the policy of the Ministry of Finance and the Bank of Japan for the realization of the system now certain, however, city banks have at last come to agree to the creation of the system in principle, although no decision has as yet been made on the definite date of its enforcement.

### MONEY IN AUGUST

(In ¥100 million)

Note Issue (End of July) .....	5,975
Note Issue (End of August) .....	5,925
Monthly comparison .....	(-) 50
Financial Fund Balance (1) .....	(-) 398
Short-term Govt. Notes (2) .....	8
Bank of Japan Account (3) .....	340
Loans .....	301
Govt. Bond Transactions .....	28
Private Deposits .....	(-) 4
Others .....	15
(1)+(2)+(3) .....	(-) 50

Source: Compiled by the Bank of Japan.

## Stock Market

**Below 500 Mark:**—The stock market began to weaken again from the second week of August and continued soft into September. The first perceptible slip of share prices this year was witnessed in late June through early July with the Dow Jones average declining from the June peak of ¥512.25 (June 12) to ¥482.87 on July 2, a sharp dip of ¥16.30 from the June 30 average (July 1 being Sunday). The recovery was quick at that time and the average again topped the ¥500 mark to register ¥507.31 on August 6. The market began to sag again from August 7 and finally fell below the ¥500 level on August 28. The recession continued after the turn of the month and the average came lower to ¥482.70 as of September 12, almost equal to the July 2 low of ¥482.75. The volume of daily turnovers also kept on dropping with the daily average during the period from September 1 to 12 falling to 13,317,000 shares as compared with the August daily average of 15,450,000 shares. This was the lowest daily total since October, last year.

### 1. SHARE PRICES AND TURNOVERS

	Share Prices (Yen)			Average Daily Turnovers (1,000 shares)
	High	Low	Average	
1955: August .....	387.12	365.57	377.48	9,693
September .....	388.42	388.13	386.15	8,831
October .....	410.29	385.57	401.47	12,080
November .....	410.36	393.28	401.53	12,115
December .....	425.69	398.11	409.81	15,992
1956: January .....	481.60	420.14	426.46	14,886
February .....	430.64	422.50	429.71	15,485
March .....	458.58	440.17	444.29	18,907
April .....	487.35	462.41	472.22	28,485
May .....	488.43	472.10	480.56	24,355
June .....	512.25	491.03	502.21	27,528
July .....	502.14	482.87	490.80	16,042
August .....	507.31	493.69	502.03	15,450
September (1-12) ..	492.92	482.70	487.91	11,317

The slip from late June through July 2, partly a reaction to the continued hike since early part of the year, was mostly due to the tightening of money and the slackened drop of the money rates. In other words, the easy money situation, the major stimulant, began to wane. In the latest setback from August through September, the growing instability of the political situation over the Japanese-Soviet tug-of-war combined with the impact of the successive capital expansion announcements by leading corporations to bring a fresh pressure on the market.

**Capital Increase Impact:**—During the eight months from January to August, the total amount of capital increases (through capital share payments) reached ¥89,000 million or the monthly average of over ¥11,100 million. In the remaining four months from September through December, the total capital expansion of over ¥70,000 million is believed likely with some ¥60,000 million increases already

definite. That means every month from September on will see capital gains averaging ¥18,000 million. So far, it has become known that the September capital boosts by various firms amount to some ¥28,000 million. A far larger amount of capital increases is also expected for January, 1957 as many firms are planning to boost capital in time for the deadline set by the Capital Replenishment Law. Thus, the impact of such capital increment programs is considered extremely heavy on the stock market. Capital expansion, however, is not a total deterrent to the market, as many of the expansion projects involve partial share dividends. During the period from January to August this year, share dividends amounted to some ¥20,238 million and the like total in the September-December period is estimated to reach about ¥22,000 million with certain probability of a further gain. As many of the companies planning capital expansions are firms of high earnings and sufficient dividend-giving capacities, their shares are mostly attractive objects for investors because of high yields. While capital increases are a stimulant by themselves, however, the need of large funds for capital share payments involved generally proves a deterrent to many investors not sufficiently financed. Under the circumstances, no immediate rally of stock prices is expected likely and the Dow Jones average is bound to move in the close vicinity of the ¥500 mark for some time to come.

### 2. ESTIMATED AVERAGE YIELDS OF PIVOTAL SHARES

	No. of Companies	Yields (%)
Total average .....	200	7.57
Banking; Insurance .....	8	6.98
Railways, Transportation .....	4	6.27
Shipping .....	—	—
Gas; Electricity .....	4	8.32
Mining .....	16	8.38
Shipbuilding; Machinery .....	47	7.68
Iron-Steel; Metals .....	13	8.07
Textiles .....	27	7.77
Foodstuffs .....	21	7.42
Fisheries .....	2	6.92
Chemicals .....	33	7.27
Miscellaneous .....	15	6.92
Commerce .....	5	6.86
Amusements .....	5	8.86

**Fair Yields:**—According to the Tokyo Securities Exchange, the average yield of 225 pivotals as of September 15 stood at 6.30% and that of 203 dividend-giving stocks registered 6.61%. In view of the fact that the average yield of corporate bonds to subscribers on the same date stood at about 7.30%, the yield of leading stocks was apparently too low. On the other hand, a Yamaichi Securities Company's survey estimates that the average yield of leading shares with future capital expansions and dividend hikes taken into consideration stood at 7.57% as of September 15, well above the average yield of corporate bonds. The same survey revealed

that the yield exceeded the 8.00% mark with shares in the gas-electricity, mining, iron-steel-metals, fisheries and amusement groups with shipbuilding-machinery registering 7.68% and textiles recording 7.77%, all comfortably in excess of the average yield of 7.57%. With the "Big 4" securities companies (Yamaichi, Nomura, Nikko and Daiwa) equipped with sufficient funds (about ¥20,000 million) to devote to purchasing operations (including investment trust operations), the bullish sentiment for yield-giving shares is expected to become evident in the very near future.

**Buying at Declines:**—The fact that the latest slip of share prices has been mostly due to the advent of new market deterrents in the absence of any particular worsening of the business situation may well be proved by the recent movement of share prices. As shown in Table 3 comparing the August highs with the September 12 averages, it is noted that all groups with the lone exception of "Railways, Transportation" dived in unison. Among the losers, the recession was particularly noteworthy with the shipping, mining, gas-electricity, iron-steel-metals and commerce groups. On the other hand, nearly all the corporations engaged in these lines have been faring encouragingly well. It is thus noted that the slip for them came as a reaction to extremely smooth sleiding they had in the first eight months or so this year.

## 3. PRICE FLUCTUATIONS OF 225 PIVOTALS

Groups	Aug., 6 (Yen)	Sept. 12 (Yen)	Losses or gain (4)	%
Averages of 225 Pivotal..	507.31	482.70	24.61	4.85
Banking, Insurance.....	663.23	631.51	31.72	4.78
Railway Transportation....	309.38	310.67	(4) 6.29	2.03
Shipping .....	313.14	270.44	42.70	13.63
Gas, Electricity .....	216.07	200.39	15.68	7.21
Mining .....	436.83	416.04	20.79	9.62
Shipbuilding, Machinery ..	245.43	231.10	14.33	5.83
Iron-Steel, Metals .....	121.23	112.62	8.61	7.10
Textiles .....	651.37	612.12	39.25	6.02
Foodstuffs.....	988.43	968.25	20.18	2.04
Fisheries .....	155.63	147.68	7.95	5.10
Chemicals .....	438.89	415.18	23.71	5.40
Miscellaneous .....	512.08	504.35	7.73	1.31
Commerce .....	947.09	878.67	68.42	7.22
Amusements .....	374.88	367.19	7.69	2.05

Source: *The Oriental Economist*.

There is no denying that the latest lethargy of the stock market has been partly attributable to the rampancy of speculative transactions. On the spur of the continuous soaring of share prices since the latter part of last year, speculative buying operation have become increasingly predominant with the resultant gain of credit transactions. As a result, the unpaid portion of such speculative dealings came to total some ¥8,500 million in the Tokyo Securities Exchange alone as of July (credit dealings can be made with 35% of cash payments in the form of surety money). Such speculative transactions have been on the steady decrease and the market is certain to begin to recover when the outstanding payments in speculative deals begin to dwindle.



How can you invest in 150 or  
more Japanese growing stocks  
for as little as \$13.94 ???

Through *Nikko's Investment Trust* of course!!  
A share of *Nikko's Investment Trust* represents  
an ownership interest in a broad cross-section  
of stocks and bonds so that adequate diversifica-  
tion is provided for both large and small investors.

**Why not get the facts now!**

Simply write or call - - -

FOREIGN DEPARTMENT

**The Nikko Securities Co., Ltd.**

(In the New Marunouchi Bldg., Right opposite Tokyo Central Station)

Tel.: 27-1201, 1301, 1411

San Francisco Office: **Nikko Kasai Securities Co.**

2165 California Street, S.F., Calif., U.S.A.

New York Correspondents: **Bache & Co.**

36 Wall Street, New York 5, N.Y., U.S.A.

# Socialist Party Responsibilities

THE intramural bickerings of the Liberal-Democratic Party, in connection with the peace negotiations with the U.S.S.R., have given rise to a feeling of disgust and disdain in a large segment of the public. Under the circumstances it is quite natural to find the attention of the people turning toward the Socialists who are in opposition to the conservative faction.

The Socialists, it goes without saying, now constitute the foremost Opposition group with more than one third of the seats in both the upper and the lower houses of the National Diet. If, because of some impasse in government the present Administration should be forced into retirement the accepted rules of parliamentarianism would give the Socialist Party the option of forming the succeeding cabinet under a Socialist prime minister. However, in actuality, there is little or no indication of a popular desire for a Socialist Government. Why should this be?

In all frankness, although the public generally gives a fairly high appraisal of the Socialist Party's role as an opposing and criticizing force, there is considerable apprehension, particularly from the ideological standpoint, as to its ability to handle the reins of government. The reasons for this are many; but one of them is that the Socialist thinking of regard to democracy and its principles has been extremely nebulous.

We, some time ago, felt much disturbed by the platform announced by the former Left Wing Socialist Party, and strongly urged a reconsideration of attitude. This advice was given because we could see in no part of the avowed aims of the left wing faction any definite assurance regarding adherence to democratic principles.

We, as well as the public, are definitely not in favor of a "perpetual" Socialist Government. The people must at all times be free to choose their leaders and governing party. There was, fortunately, a subsequent reunification of the socialist factions, and the new party platform shows considerable improvement in this respect.

Nevertheless, it is regrettable indeed that the words and actions of the Socialist Party, as exemplified by the disgraceful scrimmage staged by the Socialist members in the House of Councillors toward the end of the last Diet session, have raised numerous doubts as to Socialist comprehension and practice of the tenets of true democracy. In order that the Japanese Socialist Party attain the stature of the British Labour Party it will be necessary first of all to undertake with all resoluteness a clarification of the basic policy in

regard to democratic thinking and practices.

Secondly, it will be essential to transform the Socialist Party from one of mere opposition and criticism to a group capable of formulating constructive and practical policies. We are reminded in this connection of what occurred in Britain after the end of World War II. As a result of the general election of that time the British public abandoned Prime Minister Churchill, their wartime savior and hero, and voted into power the Labour Party, headed by the somewhat lusterless Clement Attlee.

The position of Churchill at that time bears no comparison to that of the ailing Hatoyama of today, so high was his domestic and international prestige. Yet the Labourites were victorious, not only as a result of good British sense, but because the Labour Party itself was fully endowed with the ability to replace the wartime coalition government. The party slogan "Face the Future" was an apt heading for the detailed plans offered to convert Britain into a welfare state, and it is to be noted that the present-day Conservative Government actually administers the reforms initiated by the Labourites. The Labour leaders, moreover, had participated in the wartime coalition, and as a result of their accomplishments were fully qualified to take the helm. In short, the assets pertaining to the Labour Party created in the minds of the British public the necessary confidence to vote the Labourites into power.

Turning to our own Socialists, can it be truthfully said that they are in possession of the ability and the positive thinking that would strike a sympathetic chord among the Japanese people? Much of what our Socialists term "policy" consists of "we are against . . ." or "we must safeguard . . .", giving the impression that there is no positive or constructive program to replace the policies implemented by their political opponents. The impractical amendments proposed in connection with the 1956-57 budget bill, the ignoring of international commitments when dealing with the United States Security Forces base areas problem, and their stand vis-a-vis the recent negotiations with the U.S.S.R. are but some of the more flagrant examples of Socialist immaturity and irrationalism.

The existence of such glaring defects, though due in part to the incompetence of Socialist leadership, is it seems attributable in large measure to the pattern evinced by the Party organization.

In the case of the British Labour Party there is a clear distinction made between the parliamentary Labour Party and the Labour Party proper. Al-

though these two bodies are organizationally joined by the National Congress, they do not restrict each other inordinately, and they go about their respective functions on the basis of own judgment. This is possible, we believe, because the British Labourites adhere to the position that parliamentary politics should not be influenced by matters of immediate or petty interest to labor, or that sentiment or emotionalism should not enter into government. The Japanese Socialist Party has much to learn on this score.

Currently, the Socialist Party tends to serve only the interests of labor because it is carried along on the backs of the labor unions. Conse-

quently, it cannot very well deny the accusation that it is in fact a "class-supported" political faction. In order to be capable of exercising national leadership the Socialists must win the support of the workers in general, as well as that of the small manufacturers and businesses, and of the intellectuals.

We have consumed considerable space in enumerating what we believe to be the graver faults of the Japanese Socialist Party. If these reprimands are taken seriously and give rise to self-corrective action, we feel sure that public faith in the Socialist Party will grow by leaps and bounds.

## Price Movements

IN recent months commodity prices have generally tended toward firmness though marking time; but in spots some notable disparities have appeared, with industrial items (producer goods) high and consumer items low.

Since the start of 1956 up through August wholesale prices generally remained steadily firm. Although there was some softening in May and June, due to decline of food prices, the trend immediately shifted back toward firmness.

The result was that during the first eight months of 1956 there took place an 8.3 percent rise in the average of all wholesale prices, the gain, as against the lowpoint of July 1955, being as much as 13.4 percent.

### Continued Firmness

Most notable among the items indicating rises in price were iron and steel and non-ferrous metals with an average gain of more than 51 percent in the space of a year. This, as will be elaborated on later, was due mainly to booming export trade, while there was an increase in domestic demands for shipbuilding, construction and building, and machinery production.

Apart from metals, commodity prices did not rise in such a phenomenal manner. Nevertheless such items as building materials and supplies, chemical products, food, and fuel registered increases ranging from 4 to 8 percent.

Because of the building boom there was initiated an uptrend in the price of lumber, while because of high steel prices such items as nails and galvanized sheet were notably firm. Also, as a result of the rising requirements of industry as a whole, led by iron and steel production and shipbuilding, the coal market underwent recovery with quotations remaining firm even in the summer slack season.

Noteworthy together with the firmness of fuel

is the price level maintained by foodstuff. It is normal to see food prices declining after March; but this year the drop was small. The trend this year, though declining, indicated a gain when compared with the level of the same time in 1955, which was depressed by phenomenally good vegetable crops.

1. WEEKLY WHOLESALE PRICE INDICES,  
ECONOMIC PLANNING BOARD  
(June 24, 1950=100)

	August 1956		Vs. July 1955		Vs. February 1954
Composite Index .....	166.3	up	13.4%	up	2.6%
Foodstuff .....	141.7	up	5.1	down	14.9
Textiles .....	91.7	up	1.0	down	14.1
Fuel .....	164.8	up	4.4	up	4.1
Metals .....	321.2	up	51.4	up	47.1
Machinery .....	185.9	up	2.8	down	0.5
Building Materials .....	224.1	up	8.4	down	8.7
Chemical Products .....	105.4	up	5.4	down	2.5
Sundry Goods .....	133.8	down	1.5	down	0.7
Consumer Items .....	137.9	up	4.8	down	11.4
Producer Items .....	181.8	up	17.4	up	9.7
Excluding Food .....	173.9	up	15.6	up	8.1

Source: Ministry of Labor for all tables unless indicated otherwise.

Sundry goods alone continue on the downtrend, but this is due for the most part to the sharp drop of crude rubber from the high of last autumn.

It goes without saying that the main reason for this firmness of commodity prices is the satisfactory progress made in export sales. The foreign exchange control statistics show, for instance, that export volume in 1955 gained by more than 26 percent over the 1954 level. This trend toward increase continued on into 1956, and the tabulations for the January through July period indicate a gain of 33 percent over the same period of 1955. Particularly notable was the export of steel products which, according to the customs statistics of the Ministry of Finance, leaped in 1955 by 68 percent over the preceding year and overtook cotton fabrics as the foremost Japanese export item. Export has tended to become repressed by the boom-

ing internal demands for steel. Nevertheless, for the first seven months of 1956 steel products held second place among Japan's export commodities.

#### Brisk Exports

Currently, there is a considerable upsurge in the domestic requirements in iron and steel, for shipbuilding, construction works, and machinery production. According to the Economic Planning Board the orders outstanding for machinery averaged ¥49,300 million a month during the first six months of 1956, a level from two to three fold that of the corresponding half-year of 1955. This is a reflection of the current surge in investment in plant and equipment.

These circumstances tightened the supply of steel and bolstered up its price. Note should also be made of the fact that high metal prices in world markets are also tending to stimulate this uptrend. Take the United States prices for instance: metal prices in July 1956 stood at 9.2 percent higher than in July 1955, while machinery prices also rose by 7.7 percent. In the United Kingdom machinery prices in June were 7.4 percent higher than in June 1955.

#### 2. FOREIGN EXCHANGE BALANCE, JANUARY THRU JULY

(In \$ million)

	1955	1956	increase
Total Intake .....	1,429	1,840	411
Export Earnings .....	1,043	1,382	339
Invisible Trade .....	386	458	72
Total Outgo .....	1,244	1,603	355
Import Spendings .....	1,062	1,343	281
Invisible Trade .....	182	260	78
Surplus Balance .....	185	237	52

Source: *The Oriental Economist*.

In short, the firmness of Japanese commodity prices during the past year was the outcome of high metal and other producer item quotations. While consumer items rose only 4.8 percent in the interim, the rise of producer items was as great as 17.4 percent.

As for the future, there appears to be no significant indication of a shift in the trend of prices, while moreover there are some items among consumer goods that are expected to soften. This is because with production on the gain there will appear items in adequate or excessive supply.

#### Disparities Seen

Already, there are signs of overproduction of gasoline, while because import volume has been increased the price of sugar is tending toward softness. Inventories of cotton yarn are on the increase, nearing the 500,000 bale level; and because of this situation there are rumors of a revival of concerted production cutbacks by the cotton mill operators. If in addition to these factors the forthcoming rice crop turns out to be as good as expected there is bound to be a decline in food prices, particularly staples. Consequently, the trend of consumer prices cannot be but toward softness; all the more so because import volume is being

increased.

#### 3. PRODUCTION AND INVENTORIES INDICES

	Mining & Manufacturing	Product Inventories	Material Inventories
Dec. 1953 .....	189.8	100.9	96.5
Mar. 1954 .....	193.0	113.3	97.3
Jul. 1954 .....	180.7	150.6	106.8
Dec. 1954 .....	191.8	126.3	91.8
Mar. 1955 .....	198.8	106.0	89.2
Jul. 1955 .....	200.2	130.0	99.4
Dec. 1955 .....	222.6	109.6	98.0
Mar. 1956 .....	226.5	105.6	97.8
Apr. 1956 .....	234.7	106.1	103.0
May 1956 .....	242.4	108.5	110.2
Jun. 1956 .....	243.6	111.6	118.1

Note: Production Index, 1950=100  
Inventories, 1953=100

Source: Ministry of International Trade and Industry

It must be admitted, however, that consumer demands are growing satisfactorily. For instance, the composite city-farm consumption level for the January through May period this year went up by 6.2 percent as against that of the corresponding period of 1955. Department store sales continue at a good level, bearing out the fact that consumer spending is on the increase. Particularly noteworthy is the remarkable progress indicated by sales of durable consumer items in the electrical appliances field.

#### 4. CONSUMER SPENDING LEVEL

(1934-36 Average=100)

	Composite	City	Farm
1954 Average .....	111.0	100.0	127.5
Vs. 1953 .....	105.1%	106.4%	103.7%
1955 Average .....	115.1	106.5	128.1
Vs. 1954 .....	103.7%	108.5%	100.5%
1955, 1st Half .....	106.8	96.5	122.2
Vs. 1954, 1st Half ..	99.8%	102.1%	97.1%
1955, 2nd Half .....	123.6	116.7	134.0
Vs. 1954, 2nd Half ..	107.4%	110.5%	105.0%
1956, Jan.-May .....	114.5	102.7	132.1
Vs. 1955, same Period	106.2%	109.8%	102.2%

Source: Economic Planning Board.

Increase in consumption is bound to cause firmness of consumer prices. But if production keeps up with or overtakes demand softness cannot be avoided.

With steel production, however, it is difficult to boost production on short notice. Consequently, the short supply of steel will probably continue for yet awhile; and with such a state of affairs steel prices will inevitably continue firm. However, the high steel quotations of last year appeared in some cases to be excessive, influenced considerably by speculative sentiment. Therefore, once production can be raised to an adequate level there should occur a corrective decline.

Although it is difficult to increase steel production overnight, Japan's steel producers are making headway with their expansion programs, so there should be a gradual easing of supply.

Among the producer items, cement is to some extent in oversupply. On the whole, however, the price situation is featured by high producer and low consumer commodity quotations, with fairly complex disparities in movements.

# Farm Economy of Japan

IN reviewing the Japanese farm economy of the decade elapsed since the end of World War II hostilities, it is possible to demarcate three definite periods.

The first is that of farm inflation covering the years after the surrender up to 1947. Because of the extreme shortage of foodstuff immediately after the surrender there was a sharp rise in the price of farm products. On the other hand, because there was no comparable jump in the cost of farm purchases there occurred an unprecedented increase in farm income. This resulted also in an accumulation of surplus wealth unparalleled in all the history of the Japanese farmer, and the outcome was positive investment in farm operations.

## Farm Economy of the Postwar Decade

The second period covers from 1948 through the first half of 1950, a period of general recession of the farm economy. Because of the increasingly stiffer levies, from the start of 1948, of farm income tax, with a doubling of the tax burden that year as against 1947, a sizable portion of the farm income was funneled away into the Treasury. Moreover, there occurred in 1948 an unfavorable shift in the balance between the price of farm products and the cost of farm necessities, mainly as a result of the betterment of the food situation with recovery of farm production and increase in foodstuff imports. In consequence the farm economy took a turn away from the better. This trend was worsened by the adoption of the Dodge plan for disinflation in 1949, and for the first time since the war, the farmers who had been enjoying a surplus found themselves operating in the red.

### 1. CHANGES IN FARM EXPENDITURE INDICES (Per Tan)

	Fertilizer	Fodder	Agricultural Chemicals	Farm Apparata	Whole
1934-36.....	100	100	100	100	100
1946 .....	53	26	143	232	81
1947 .....	98	30	65	214	102
1948 .....	69	39	101	255	101
1949 .....	74	29	130	262	102
1950 .....	71	36	187	248	102
1951 .....	80	43	190	213	106
1952 .....	93	58	319	262	124
1953 .....	105	82	505	290	152
1954 .....	112	86	613	293	175
1955 .....	116	94	614	302	184

Source: Economic White Paper, 1956.

Note: Tan=0.245 acre.

The third period extends from the second half of 1950 through 1955, and is featured by growth of the farm economy. With the outbreak of the Korean War in June 1950 there was a sudden improvement of the farm situation. The reasons for this change were: 1) a sudden rise in the price of farm products, at a higher rate than that of other

commodities due to a growth in demands stimulated by the heightened activity in mining and manufacturing; 2) because after 1951 there was a weakening of the system for government requisitioning of rice, the Government, as a policy, increased the purchase price of delivery quota rice, and thus intensified the general tendency toward higher farm prices; and 3) the recovery and growth of mining and manufacturing increased the non-farm income of the farming population by offering job opportunities that had previously been non-existent.

1950, moreover, was the year in which Japan's farm production regained its prewar level. In the field of sericulture alone was production at only one-fourth the prewar standard; and this failure to achieve full recovery has since remained unremedied. Production of fertilizer and farm implements also about returned to the prewar level in 1950.

### 2. PERCENTAGE OF FARM EXPENDITURES

	1934-36	1952	1954
Expenditures for Materials .....	52.0	84.8	86.8
Farming Instruments .....	4.8	13.4	13.8
Cattle.....	2.9	8.2	10.7
Fodder .....	10.6	10.9	12.8
Fertilizer .....	25.7	29.9	25.1
Agricultural Chemicals .....	0.8	2.2	2.9
Others .....	7.1	19.8	21.5
Other Expenditures.....	48.0	15.6	13.2
Farm Rent .....	40.0	0.7	0.6
Others .....	8.0	14.9	12.6
Total .....	100.0	100.0	100.0

Source: Economic White Paper, 1956.

However, the growth of the farm economy, which began in the second half of 1950, headed into some basic obstructions five years later in 1955. For one thing, although there was an increase in the income of city workers due to the expansion of mining and manufacturing activities, there was no corresponding increase in spendings on food; and the result was a softening of farm product prices. With the exception of rice, which is firmly supported by government pricing measures, all other farm products including vegetables and beans underwent a sharp drop in prices during 1955. Secondly, one of the main factors contributing toward increase in farm income since the war was non-farm earnings, which fell off for the first time in 1955. (Cf. Table 3) This calls for particular attention in the light of the fact that it occurred despite a steady increase in workers' income as a result of the phenomenal growth of mining and manufacturing at this time. Consequently, if the Government now chooses to relax the price props for farm products, particularly rice and grains, it appears likely that farming, as compared to other industrial activities, will tend to lag far behind in economic development.

3. FARM HOUSE INCOME AND EXPENDITURE  
(Per household in ¥1,000)

	Agricultural Income	Non-agricultural Income	Total Income	Household Expenditure	Balance
1949.....	124.1	48.5	172.6	157.8	↵12.6
1950.....	142.9	68.7	211.7	171.9	18.6
1951.....	179.7	82.6	262.3	214.2	25.1
1952.....	193.9	104.2	298.0	250.9	22.5
1953.....	198.4	127.5	325.9	280.9	20.1
1954.....	210.5	128.8	339.3	299.7	12.4
1955.....	243.1	126.7	371.2	311.4	18.0

Source: Ministry of Agriculture and Forestry.

Betterment of the Farm Standard of Living

Table 1 shows the growth of the farm economy subsequent to 1949 (the statistical data for the preceding years are inadequate). True, the figures of Table 1 cannot be taken completely at face value since the farm price level rose by about 30 percent between 1949 and 1954. Nevertheless, it is undeniable that there took place remarkable progress during this period.

When the corrected, effective levels of the indices of the farm economy before and after the war are compared, it is seen that farm income in 1951 exceeded the prewar average level, with a further gain of about 10 percent by 1954. Most notable was the increase indicated by non-farm earnings, with a 90-percent gain in 1951, while the level in 1954 stood at 2.8 times prewar. The reason for this spectacular increase in non-farm income was among other things the inability of the farmer to cover the expenses of his growing needs with the earnings derived from his farm, reduced in size since the war by the increasing pressure of over-population.

The farmer's income, a combination of both farm and non-farm earnings, stood in 1951 at about 20 percent above the prewar level, and at about 40 percent above prewar in 1954.

One of the major reasons for this increase in farm income was the progress made in the methods of farm production. According to the index figures showing the real expenditure per unit area under cultivation on materials, supplies and equipment, it is found that whereas there was but little increase in the outlay for fertilizer (16 percent over prewar), three times as much as prewar was spent on implements and equipment, and six times as

4. POPULARIZATION INDICES OF POWER DRIVEN FARM MACHINES  
(All Prefectures Except Hokkaido)

	No. of farmers (In 1,000)	Power- driven Threshers	Power- driven Cultivators	Power- driven sprayers
Farmers with less than				
5 tans of farm lands....	2,414	14.7	0.4	0.6
5 tans—10 tans .....	1,970	49.4	1.8	2.0
10 tans—15 tans .....	964	71.4	4.1	3.6
15 tans—20 tans .....	376	80.2	6.6	4.4
More than—20 tans ....	342	85.5	12.0	4.7
Total .....	6,066	42.4	2.3	2.0

Source: Ministry of Agriculture and Forestry.

much on agricultural chemicals (pesticides). The composite index for spending on all material shows a doubling as compared to prewar.

A notable feature about the widespread adoption of improved farm equipment is that up to about 1950 there was a general trend toward mechanization of threshing hulling and polishing operations, but thereafter the tendency was toward mechanization of tilling and other soil preparation operations, and the widespread adoption of spraying equipment for crop control. The changes that have taken place in farm operations have thus been eye-opening. Nevertheless it must be noted that the jobs that take up the most time and strenuous labor, the planting and harvesting of rice, are still done by the traditional manual methods.

The adoption of farm chemicals has been even more widespread than that of mechanical implements. It has become prevalent practice to undertake cooperative spraying or spreading of such pesticides as BHC, Selesan, and Horidol on a large scale over relatively expansive areas. Things have so changed that the farmer now no longer fears plant diseases and the ravages of insects although he remains on guard against these crop enemies. This is a far cry indeed from the prewar days when insect and disease damage was normally considered a natural calamity. Recently, there has come into increasing use the weed killing chemical 24-D for rice-paddy weed control, which

Oldest in Years,  
Modern in Service

THE DAI-ICHI BANK, LTD.  
HEAD OFFICE: TOKYO, JAPAN  
SINCE 1813

is contributing in no small way to reduction of the backstraining and stifling labor of paddy-weeding.

Another major change wrought by the increase in farm income is the betterment of the standard of living. From 1952 through 1954 farm household spending went up at a faster rate than disposable income. Consequently, as shown by Table 5, the consumer spending level of Japanese farmers surpassed that of prewar by about 30 percent. This was in marked contrast to the fact that the consumer spending level of the city worker had, about the same time, barely reached and exceeded the prewar average.

#### 5. COMPARISON OF EXPENDITURE LEVELS BETWEEN CITY AND FARM AREA

	Farm Area (Average)	City (Tokyo)
1934-36.....	100.0	100.0
1951 .....	109.4	68.9
1952 .....	122.3	80.2
1953 .....	127.9	94.0
1954 .....	128.5	100.0
1955 .....	132.5	106.5

Source: Economic Planning Board for Tokyo; Ministry of Agriculture & Forestry for farm area.

Nevertheless, it is generally accepted that the prewar consumer spending level of the farmer stood at about 60 to 70 percent of the city worker; so this prewar rise in farmer's spending, at a faster rate than the city worker's, was in fact nothing more than a process of equalization. When the

spending levels per capita of farm and city households are compared, that of the farm household comes to but 78 percent that of the city worker household. (Cf. Table 3)

#### 6. AVERAGE PER MONTH PER PERSON EXPENDITURE IN 1955

	(In yen)		
	Farmer (A)	City Worker (B)	A/B×100
Total Expenditure.....	3,865	4,961	78.0
Foodstuffs .....	2,015	2,206	91.3
Staples .....	1,045	810	129.0
Non-staples .....	969	1,397	69.4
Clothings .....	433	604	71.7
Light & Fuels .....	181	250	72.4
Housing .....	287	303	94.7
Others .....	950	1,597	59.5

Source: Ministry of Agriculture & Forestry for farmer; Statistics Bureau, Prime Minister's Office for city worker.

It must be noted of course in this connection that: 1) the price level in the farm areas is some 15 percent lower than in the cities; the number of members per household is higher with the farmer than the city worker (6.2 persons vs. 4.7), resulting in less cost of living expenses per capita; and 3) the mode of living differs considerably between farm and city. Nevertheless, the low consumer spending level of the farmer is undoubtedly due to smaller outlay for clothing, light and heat, and "other expenses" (health and medical care, education, recreation, entertainment, &c.), while the Engel's coefficient (percentage of the household budget spent for food) for the farmer now stands at 52.1 percent as against the city worker's 44.5 percent.

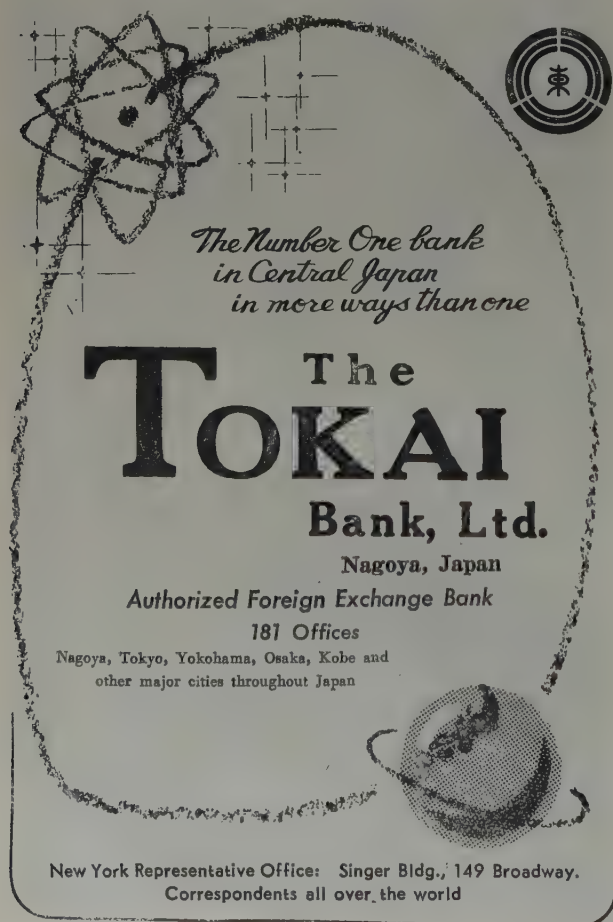
A comparison by the Economic Planning Board in 1952 of the standards of living of the farmer and the city worker gave the conclusion that they were "about the same," and that the farmer, whose standards were lower before the war, had caught up with the city worker. But as can be seen from Table 5, whereas after 1952 the consumer spending level of the city worker rose by 32.8 percent, the farmer's consumer spending went up by only 8.3

#### 7. NATIONAL INCOME STRUCTURE BY INDUSTRY

	(In percent)			
	Primary Ind.	Agriculture	Secondary Ind.	Tertiary Ind.
1934-36.....	19.8	16.7	30.8	49.4
1946 .....	38.8	31.1	26.3	34.9
1947 .....	35.5	29.0	28.6	36.0
1948 .....	31.8	25.8	30.8	37.4
1949 .....	27.4	22.5	32.1	40.5
1950 .....	26.2	21.3	32.3	41.6
1951 .....	24.9	19.8	32.8	42.4
1952 .....	23.4	18.4	31.7	45.1
1953 .....	21.6	16.0	31.3	47.3
1954 .....	21.5	16.4	30.8	48.2
1955 .....	22.0	17.1	30.1	48.3

Note: Years are fiscal except 1955 which is calendar. Primary Ind. includes agriculture, forestry and fishery; Secondary Ind. includes mining and manufacturing; Tertiary Ind. includes entertainments and other services.

Source: Economic Planning Board.



*The Number One bank  
in Central Japan  
in more ways than one*

# The TOKAI

## Bank, Ltd.

Nagoya, Japan

Authorized Foreign Exchange Bank

181 Offices

Nagoya, Tokyo, Yokohama, Osaka, Kobe and  
other major cities throughout Japan

New York Representative Office: Singer Bldg., 149 Broadway.  
Correspondents all over the world

percent. In other words, while the farmer once managed to catch up with his city cousin, he is now lagging farther and farther behind in the purchase of consumer items.

Relative Status of Farming

Looking into the proportion of the national income attributable to farming, it is found that in 1946 as much as 31.1 percent was due to farm production. This of course was caused mainly by the fact that whereas the war damage sustained by mining and manufacturing was tremendous the farms were for the most part unscathed. But with the subsequent recovery of industrial activity the farm income tended to become relatively smaller and in recent years the portion of the national income earned by the farmers has come to be 17.1 percent, about the same as prewar. At the same time, those employed in farming comprise 41.7 percent of the total working population, so the per capita income of the farm worker is extremely low. The rural areas hold a tremendous number of the incompletely employed "submerged" or latent jobless. Consequently, the per capita income of the farm workers is extremely low as compared to that of the non-farm workers (about one-third of the non-farm income per capita, according to the national income statistics), and this bespeaks low productivity. This situation also tends to obstruct further progress in the betterment of farming methods.

Table 8 shows the position of the farmer in the domestic market. As mentioned elsewhere the effective purchases of the Japanese farmer in both productive and consumer items about doubled as against prewar as a result of improvements in farming methods and in the farm standard of living. When the farmer's purchasing is seen in the light

8. FARM AREA AS A DOMESTIC MARKET

	Farmer's Expenditure for Producer's Goods		Farmer's Expenditure for Consumer Goods		Farmer's Overall Expenditure Indices	Farmer's Expenditure Percentage in National Expenditure
	Expenditure Indices	Per-centage in National Expenditure	Expenditure Indices	Per-centage in National Expenditure		
1934-36..	100.0	5.4	100.0	15.5	100.0	9.7
1952 ....	165.6	5.7	167.7	22.7	140.7	11.5
1953 ....	179.4	4.9	193.3	23.4	168.5	10.9
1954 ....	208.4	5.3	187.1	21.6	176.2	10.7

Source: Economic White Paper.

of all national purchasing, the relative level today is about the same as or slightly lower than prewar for productive items. This is the result, despite the remarkable progress made in betterment of

farming methods, of the phenomenal progress achieved in mining and manufacturing, at a rate witnessed nowhere else but in Western Germany. However, in the purchasing of consumer items, the rise of farm consumer spending already mentioned caused farm purchases to grow considerably in relative weight; so when purchases of both productive and consumer items are combined, the farmers' share of the nations's purchases in 1954 stood at 10.7 percent, slightly higher than the 9.7 percent of prewar.

9. SURVEY OF AGRICULTURAL WORKERS

	Total Workers (In 10,000)		a/b	Agricultural Workers by Per Week Work Hours		
	Agricul-tural (a)	Non-agricul-tural (b)		1-34	35-59	Over 60
1951.....	1,617	2,005	44.6	32.7	46.2	21.0
1952.....	1,637	2,092	43.9	34.7	44.6	20.6
1953.....	1,713	2,212	43.6	37.2	41.9	21.0
1954.....	1,667	2,291	42.1	35.2	42.1	21.7
1955.....	1,715	2,397	41.7	37.6	40.1	22.3

Source: Statistics Bureau, Prime Minister's Office.

Nevertheless, since 1952 the ratio of farm purchases to the total has been on the decline. This may be a natural tendency where there is growth of the economy with gradual decrease in relative importance of farming and other primary industries. It must be noted however that in the case of Japan the increase in acreage under cultivation is extremely small. Yet, as compared to prewar (1940), the number of farm households has increased by 550,000, while the farm labor force has swollen by more than 2 million. The working farm population of Japan, which since before the war had been considered excessive, stood for many years at a steady level of about 14 million. Then with the demobilization and repatriation at the cessation of hostilities, it suddenly jumped to 16 million. Moreover, the "submerged" unemployed, estimated at some 6 to 8 million throughout Japan, have tended to remain in the farm areas without being absorbed into the urban industries; and this has tended to lower the relative position of farming and the farmer in the national economic structure.

Because in recent years the absorbing power of mining and manufacturing has been weakened by the development of automation and other technological advances, it is evident that if nothing is done to remedy the situation made serious by the existence of a vast army of semi-jobless farm workers the status of farming in Japan will tend to drop farther and farther behind that of other industrial activities.

10. HOURS SPENT IN PADDY FIELD WORK

	Work-hour Total	Cultivating	Smoothing	Planning	Weeding	Supervising	Harvesting	Threshing
1952 .....	196.1	18.7	12.1	27.6	35.7	11.9	37.7	21.6
1954 .....	185.2	15.0	11.5	27.5	31.1	12.1	37.0	19.8
Differences .....	(-)108.8	(-) 1.9	(-) 0.6	(-) 0.1	(-) 4.6	0.2	(-) 0.7	(-) 1.8

Source: Ministry of Agriculture & Industry.

# Widening Wage Gaps

**S**IGNS of better times became visible after autumn 1954 with the recovery of export trade. But it was not until mid-1955 that this improvement in the economic situation affected the economics of labor. This is clearly indicated by the labor statistics.

Turning to the regular employment index figures (manufacturing) of the Monthly Labor Statistics of the Ministry of Labor, it is seen that until the first half of 1956 there was no upturn in the downtrend that had prevailed since 1955. The second half of 1955 indicated a situation of little or no change, but since the statistics do not allow sufficiently for the differences arising from close-downs, newly started operations, and changes in size of plant, the truth it seems would rather be an extremely slight uptrend rather than no change.

## Shift to Increasing Employment

According to the Labor Force Survey of the Office of the Prime Minister the average non-farm-forestry employment level in 1955 stood at some 740,000 workers more than in the preceding year, with the gain at 1,160,000 workers if the second half only of 1955 is considered.

As for the situation after the start of 1956, both the Labor Statistics and the Labor Force Survey show considerable gains, with the latter showing the average level for January through April to be about 1,300,000 more than during the corresponding period of 1955.

This improvement in the labor situation can also be sensed from the situation at the Public Employment Stabilization Offices. Job openings in 1955 averaged only 1.5 percent more than in the preceding year, but for the second half only, the gain was some 12 percent as against the same period of 1954 (when there occurred a 5 percent drop). With jobseekers, there was an increase of about 1 percent for the whole year, but in the second half only there was a slight decrease of 0.4 percent, as against the same time in 1954.

Unemployment insurance beneficiaries were most numerous in March 1955, and began to decline after April, and in December 1955 the number was down by 26 percent as against the same month in 1954. In 1955 the number of business failures was also some 20 percent less than in 1954.

Another index of the labor situation, the number of completely jobless, was at its peak in March 1955 at some 840,000 persons; but thereafter a decline set in and the average for November-December was down at 570,000, between 30,000 and 50,000 less than the level of the preceding year.

The pay level, also, began to show a rising tendency after about June 1955. This was due among other things to increased production as a result of the business boom, longer hours worked, and higher productivity.

## Rising Wages

The total cash wage amount for all industries in 1955 was, taking the average for the year, 5.8 percent higher than in 1954. Although this is less than the 6.9 percent increase realized in 1954, the second half only of 1955 indicates a gain of about 8 percent. This is due mainly to the fact that business conditions so improved that there was an increase of about 14 percent in the yearend allowances granted the workers.

The uptrend has continued on into 1956, and the wage index for the January through March quarter, when compared with that of the same period in 1955, shows a gain of 8 percent.

While nominal pay increased in this way, the real gain was even higher since consumer prices in 1955 went down on the average by slightly more than 1 percent. Consequently, the real gain in wages (for all industries) in 1955 stood at 7 percent of the 1954 level. If the second half only of 1955 is taken, the gain would come out at about 10 percent. Since in 1954 there was no change as against 1953, this increase in 1955 signifies considerable improvement. In this way, the wage level for industrial workers (manufacturing) in 1955 stood at 14.5 percent higher than the prewar level.

With higher wages, those households depending on workers' earnings for income naturally find things easier. According to the wage-earner households survey (all major cities) of the Office of the Prime Minister, whereas real household income during the first half of 1955 stood at only 2 percent more than that of the same time in 1954, the increase in the July-September quarter, as against the same quarter in 1954, was 6.5 percent, while the October-December quarter increase stood at 7.3 percent, indicating an uptrend.

As for worker household outgo, the tax abatement undertaken in July 1955 lessened the burden considerably so that whereas in 1954 the average monthly surplus (difference between real income and real outgo) was 6.6 percent of the total real income, there was a jump in 1955 to a surplus of 8.2 percent.

Although nominally the household outgo increased by 4 percent in 1955 as against 1954, there was a decline in consumer item prices, so worker households throughout Japan attained a consumer spending level of 105.2 percent than that of 1954, with

the index standing at 106.5 points as against the 100 of prewar. This was the first time since the war that the prewar level had been exceeded.

Wage payments in arrears and other unsettled pay began to decrease in total amount after June 1955, and by yearend the aggregate had declined by some 20 percent as against the level of the same time in 1954.

#### Absorption of Labor

As has been outlined above, Japan's labor economics took a turn for the better after mid-1955, but although the improvements have been considerable there remain a number of problems.

First of these is the pattern of hiring and employment. Japan's working population (over 14 years of age) has been growing at a fairly remarkable rate, thanks to better handling of tuberculosis cases and the drop in the mortality rate for the younger groups. In 1955, the growth of the productive population was by 1,360,000 as against the natural increase in population of 1,020,000. There is this steady supply of youngsters ready to join the nation's workforce, while in addition the wartime and postwar trend has been to utilize women workers in a steadily increasing number of ways. This is due to a number of reasons among which may be counted: 1) social emancipation of women, 2) raising of household living standards and the need for covering deficits, and 3) the freeing of women for regular jobs through improvements in household kitchens and the increasing availability of labor-saving household appliances. Normally, as in the case of Western Europe and prewar Japan, the increase of the working population (those out of the productive population who are actually desirous and capable of working) lags behind the gain in productive age population. But in 1955 the increase in working population, at 1,460,000, was in excess of the increase in productive age population.

However, because industrial operations, particularly manufacturing, have been increasing in efficiency in step with better utilization of facilities, employment in this area has not grown appreciably despite the overall growth of the economy.

According to the Office of the Prime Minister, although the nation's workforce increased in 1955 by some 1,460,000, the gain in regular employment was by but 700,000 (increase in non-farm-forestry workforce, 740,000, offset by decrease in farm and forestry workers). The balance was absorbed by self-employed business operators or into the army of dependent-jobholders. Consequently, there has been little or no improvement in the employment pattern of the more modern aspects of Japan's industrial structure.

To make matters worse, there occurred inadequate absorption of the jobseekers, and although at yearend 1955 the tendency was toward decrease in the completely jobless, the average for the year of the completely unemployed came out at 680,000 persons, 100,000 more than in 1954.

Checking on the type of job found in 1955, there were some 390,000 more persons employed in farm and forestry work, and this trend is the exact opposite of what is taking place in the United

States and Europe. In the non-farm-forestry category there was an increase in employment of some 950,000 persons, of these only 110,000 went to the secondary industries (mining, manufacturing, and construction), with almost all of the balance going to merchandising and service trades, which heretofore had long been suspected of harboring quite a number of "submerged" unemployed. For some years from now the huge postwar crop of babies will be attaining productive age, and it is estimated that in 1960 the increase in the productive age population will be about 1,620,000. This congestion of the labor market does not permit much optimism.

#### Widening Wage Differentials

The second problem is that of discrepancies in pay. Although there was, on the average, a considerable increase in wages in 1955, the range of variability by type of enterprise is extremely large. For instance, whereas the gain by the wage level of mining was small in 1954, the 1955 gain was large, at 7.6 percent. In contrast the gain indicated by merchandising (wholesale and retail) was only 2.5 percent. The center line is indicated by manufacturing where the average gain in 1955 over 1954 was 5 percent. More specifically, the wage levels for chemical products, petroleum and coal derivatives and other items benefiting from the export boom and high domestic demand went up notably. On the other hand such industries as textiles, processed foods, motor vehicles and related fields, and textile machinery could not afford appreciable increases.

Also, inequalities resulting from sex, length of service, age, and other factors have tended to increase. This indicates that there is a trend away from the "living" pay system to "position" and capability pay.

The inequalities, nevertheless, become most striking when the pay structure as a whole is analyzed by size of operation. With the average pay level of large operations employing more than 1,000 workers at 100, the pay level of small industries employing between 10 and 49 persons is 82.6 in the United States (1947), 82.5 in the United Kingdom (1947) and only 48.5 in Japan (1953). This gap unfortunately is on the increase. According to the Ministry of Labor, the situation in Japan is that with pay level of enterprises employing more than 500 workers set at 100, the operations with 100 to 499 workers paid 84.2 in 1950 and only 74.3 in 1955, while the smaller operations with between 30 and 99 workers paid on the average 67.3 in 1950 and only 58.8 in 1955. The reason for this widening gap is not given in the Labor White Paper, but the following causes can be cited: 1) the big operations have always maintained a high level of productivity, and moreover, since in Japan the labor market is a buyer's market, the bigger enterprises are able to hire the better workers; and 2) the smaller enterprises are heavily dependent in various ways on the larger, while in many of them organized labor is non-existent.

In any event, so long as the supply of labor continues to be excessive, the problem of wage inequalities due mainly to size of operation, will remain as an unavoidable evil.

## Kaleidoscope

**"National" Cars:**—Toyota Motors, Ltd. is reported ready to market a new passenger car (the self-styled "masses" car No. 1) at the price of ¥450,000. The plan, however, is being bitterly opposed by taxi operators for the reason that the advent of the cheap-priced car will derange the taxi fare agreements. From the standpoint of the masses, however, the debut of low-priced cars is highly welcome, particularly as the latest Toyota model is priced some ¥200,000 lower than the Renaults and Datsuns.

**Coal Supply-Demand:**—Japan consumed 44,680,000 tons of coal mined within the country (up 2,590,000 tons over the preceding year), 3,150,000 tons of imported coal and 7,690,000 tons of heavy oil (in terms of coal) during fiscal 1955 (April, 1955 to March, 1956), according to the Japan Coal Miners Association. The demand for coal increased favorably in fiscal 1955 due to the activity of export industries (including iron and steel) and the expansion of consumption for power generation. Meanwhile, the fiscal 1955 coal production totalled 44,040,000 tons including 29,940,000 tons (68%) by 18 major coal miners and 14,100,000 tons (32%) by minor coal mines. The production gain by the latter group was particularly active.

**Shipbuilding:**—Japanese shipyards will not be able to operate to full capacity in fiscal 1957 due to the restricted supply of steel materials, according to the Ministry of Transportation. The Ministry estimates the available shipbuilding capacity in fiscal 1957 (for ships to be started from July, 1957) at 878,000 gross tons (of 102 ships) but the construction of about 670,000 gross tons will be the maximum limit in view of the limited amount of steel materials available.

**Wage Earnings:**—Wage payments by about 550,000 working shops in Japan during 1956 amounted to ¥1,863,600 million, according to the latest survey by the Tax Administration Agency. The survey, based on 7,178 representative establishments, places the per capita wage income for the year at ¥185,000, slightly up over the 1954 average ¥182,000. Classified by industry, the average wage payment was highest in foreign trade and electricity-gas branches with the 1955 average standing at ¥350,000. Banking-insurance ranked second with ¥280,000, followed by paper-pulp, iron-steel and shipbuilding at ¥250,000. The average stood at around ¥200,000 for coal, metal mining, chemicals, electric machines, department stores, securities, real estate, transportation and communications. On the other hand, agriculture took the rear with ¥90,000 while textiles, lumber and wood-working averaged ¥120,000, service professions stood at ¥140,000, foodstuff production registered ¥150,000 and forestry, fishery, wholesaling and retailing ranged between ¥160,000 and ¥170,000. Classified by scale, individual enterprises paid the average of ¥107,000 as compared with the average of ¥191,000 paid by corporations. Among corporations, larger enterprises capitalized at more than ¥100,000,000 paid the average of ¥278,000, about double smaller enterprises capitalized at less than ¥200,000 with the average of ¥128,000. The average stood at ¥172,000 for corporations capitalized at between ¥5,000,000 and ¥10,000,000 and at ¥215,000 for firms with capital between ¥50,000,000 to ¥100,000,000.

**Cement Exports:**—Cement exports have continued to fare well with the August shipments totalling about 240,000 tons,

a new alltime monthly peak. At the present rate, the annual exports in fiscal 1956 may well top the 2,000,000-ton mark, far in excess of the original target of 1,500,000 tons.

**Trade Credit Corp.:**—Preparations are under way for the creation of a company under the tentative name of Japan Trade Credit Corporation as a second company of the defunct Taiwan Bank. According to the present plan, the sum of ¥500 million, estimated available after the reduction of the transfer to the Treasury and various taxes from the ¥2,000 million surplus left after liquidation of the former Taiwan Bank assets, will be used to finance the new corporation which will be capitalized at ¥375 million with reserves of ¥125 million. The Taiwan (Formosan) Bank was ordered closed by the Occupation administration in September, 1945, but the revision of the Closed Organs Ordinance at the 16th National Diet in 1953 enabled the outgoing bank to create a second company with assets left available after liquidation. The proposed corporation will be assigned with the task of securing exports to and imports by smaller traders with the ultimate object of promoting transactions with Southeast Asia.

**Two Sides:**—The gap between oversupplied branches and undersupplied sectors in Japanese industry is steadily widening with contrasting transitions of market quotations, operating hours and corporate results. Among key industries, iron-steel, shipbuilding, non-ferrous metals, electric power and transportation are generally undersupplied and underequipped and additional imports or equipment expansions are being urged. On the contrary, cement, petroleum, flour, oils-fats, sugar and certain textile items are becoming steadily oversupplied. Cement has already been dumped in certain parts of the country and some silk mills have closed down.

**Power Shortage:**—Demand for electric power has increased markedly since the start of fiscal 1956 (April, 1956 to March, 1957) and the power supply shortage is feared to result with the fiscal 1956 supply plan, drafted by the Government early this year, is kept unrevised. The expansion of electric power consumption became evident already from May, 1955, and the rate of increase in fiscal 1955 reached 8.3% over the preceding fiscal year (12.9% for areas depending on major power firms) as compared with 3.8% registered by fiscal 1954 over fiscal 1953 (5.1%). The increasing tempo has been quickened in recent months with the consumption in April 1, 1956 up 12.2% over the corresponding month in 1955. The like gains stood at 15.3% for May, 17.0% for June and July. The sharp hike in recent months is considered attributable to the successive erection of electric furnaces and other machines consuming the bulky amount of energy. Further mechanization of various industrial equipments side by side of the adoption of automation has served to boost power consumption. Meanwhile, the five-year power generation program envisages the increase of power generation in the coming five years to total 4,090,000 KW (1,041,000 KW in fiscal 1956, 708,000 KW in 1957, 1,222,000 KW in 1958, 674,000 KW in 1959 and 444,000 KW in 1960). In view of the recent pace of consumption expansion, the 1960 goal will still prove 2,400,000 KW short of demand. Experts estimate that the supply shortage will reach about 600,000 KW even at the close of this year. Thus, the power supply picture appears to be dark for some time to come.

**PRINCIPAL PRODUCTS**

ELECTRICAL AND MECHANICAL  
EQUIPMENT FOR POWER PLANTS  
AND SUB-STATIONS • ELECTRICAL  
EQUIPMENT FOR CHEMICAL AND  
TEXTILE INDUSTRY • ELECTRICAL  
EQUIPMENT FOR MINING, MARINE  
AND RAILWAY • W. H. METERS,  
MEASURING INSTRUMENTS AND  
REGULATING APPARATUS • AGRI-  
CULTURAL EQUIPMENT • HOUSE-  
HOLD ELECTRIC APPLIANCES

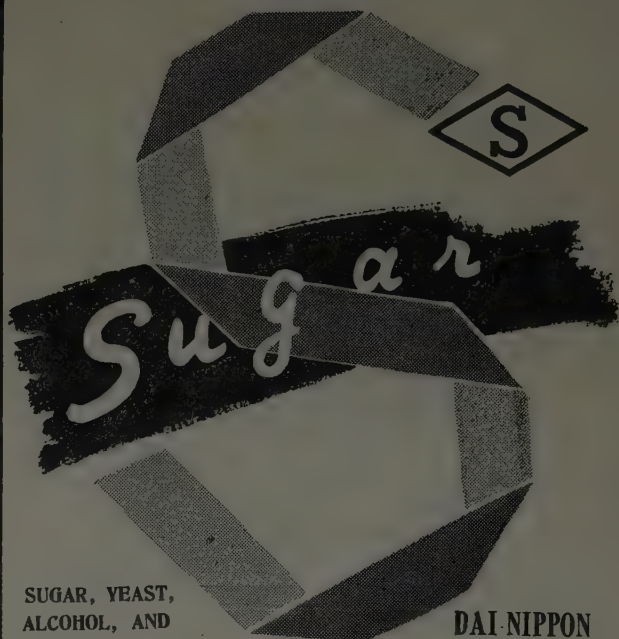


**Fuji Denki  
Seizo K.K.**

Fuji Electric Mfg. Co., Ltd.

Cable Address:  
"DENKIFUJI" Tokyo

HEAD OFFICE:  
6, 2-Chome, Marunouchi, Chiyoda-ku, Tokyo



SUGAR, YEAST,  
ALCOHOL, AND  
WAREHOUSE

DAI-NIPPON  
SEITŌ

**DAI-NIPPON SUGAR MFG. CO., LTD.**

PRESIDENT: AIICHIRO FUJIYAMA

4~1 Marunouchi Tokyo  
Tel. (27) 0100~0109

Cable Address: SUGAR TOKYO

Butanol, Acetone, Alcohols,  
Plasticizers, Acetic Esters, Streptomycin,  
Distilled Spirits, Etc.



President - - - Benzaburo Kato

Head Office:

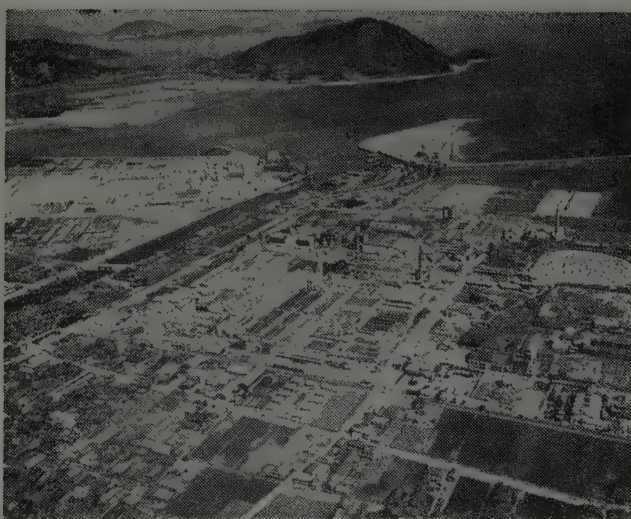
Daiichi Seimei Bldg.,

9 1-chome, Yuraku-cho, Chiyoda-ku, Tokyo

Tel: (28) 1511 (10)

Factories: Hofu, Sakai, Fuji, Morioka,  
Nishinomiya, Setaka, Tokyo,  
Tochigi, Tsuchiura

*Bird's Eye View of Hofu Factory*



**KYOWA HAKKO KOGYO K.K.**

## Industry

### Fire & Marine Insurance

Non-life insurance business in Japan started about eight decades ago when Tokio Marine Insurance Co. was incorporated in 1878 by Mitsubishi interests. Making steady progress after that time, it enjoyed its best times just before the Second World War. In those days, Tokio Marine gained a world-wide reputation as underwriters just as Nippon Yusen Kaisha did as ship operators, the Yokohama Specie Bank as foreign exchange brokers, and Mitsui Bussan and Mitsubishi Shoji as traders.

#### Vicissitudes in 80-Year History

Upon the outburst of the Second World War, however, Japanese marine insurance companies suffered a serious setback. Their assets abroad were all frozen by the belligerent nations, and they could hardly conduct their normal business as they had been barred from all the benefits of the international reinsurance organization.

As Japan suffered a severe defeat in the war, the marine insurance companies found it impossible to have their frozen assets returned. Not only that, they were brought into the whirlwind of vicious inflation in the early postwar years. Thus, they experienced the worst days.

Not until 1949 were Japanese insurance companies authorized to revive their business connections with foreign underwriters. Then, the inflation storm gradually calmed down, and the political atmosphere around Japan brightened up with the conclusion in 1951 of the San Francisco Peace Treaty. Japanese underwriters have since been conducting their business just in the same way as they did before the war. Recovering themselves from the wartime shocks, they have built up their new positions step by step.

#### Business Results Better in 1955

In line with the consolidation of business conditions, insurance rates are usually cut down accordingly. Fire insurance rates for dwellings, for instance, were reduced every year after 1950. A drastic reduction of 10% on the average was effected in October, 1954, and a cut of 5% in April, 1955. For factories, the rate was curtailed by 4.3% in October, 1955. Rates were lowered more or less also for marine, automobile and other insurances. But the rate slashing was carried out mainly in the field of fire insurance.

Such rate lowering was liable to check the growth of premium revenues. But the increase of premium revenues as a whole did not slacken off in 1955 to the extent as feared at first, mainly

because a new kind of insurance was initiated with the promulgation of the Compulsory Automobile Liability Insurance Law. In fiscal 1955, all the marine and fire insurance companies netted premium revenues to the total of ¥91.7 billion, or up 7.6% from the preceding year's ¥85.2 billion.

Insurance money paid by underwriters also increased, however. For two big fires alone, i.e. as of October 1, 1955, in Niigata and of March 20, 1956, in Noshiro, insurance money paid amounted to ¥1.7 billion. In the field of marine insurance, business turned substantially for the better because international trade increased in both ways and because the Government's shipbuilding program made normal headway.

As for the improved business results of all the non-life insurance companies in 1955, some idea can be obtained from Tables 1-4. It is seen that both premium revenue and insurance money outlays have recovered to the prewar level, though the rate of obligatory reserves against net premium revenues, or 104%, still remains far below the prewar standard of 150%.

#### 1. PREMIUM REVENUE & INSURANCE MONEY

(In million yen)

	1954*	1955*
Total Premium Revenue .....	85,231	91,742
Net Premium Revenue (A) .....	50,315	54,581
Total Insurance Money .....	25,926	31,330
Net Insurance Money (B) .....	16,265	20,241
Business Expense (C) .....	24,059	25,476
B/A, % (loss rate) .....	30.41	34.15
C/A, % (business expense rate) ....	47.82	46.67

Note: \*Fiscal year.

#### 2. PREMIUM REVENUE BY KIND OF INSURANCE

(In percentage)

Fiscal Yr.	Fire	Marine	Transit	Automobile	Others
1951 .....	65.2	21.5	5.8	4.4	3.1
1952 .....	66.5	22.1	4.2	5.9	1.3
1953 .....	67.2	21.3	4.0	7.0	0.5
1954 .....	67.6	20.0	3.7	7.7	1.0
1955 .....	65.3	20.6	3.4	7.6	3.1

#### 3. OBLIGATORY RESERVE BY KIND OF INSURANCE

(In million yen)

Kind of Insurance	1955		1954	
	Balance	Reserve Rate*, %	Balance	Reserve Rate*, %
Fire .....	38,117	107.0	344,18	101.2
Marine .....	12,756	113.2	107,33	106.8
Transit .....	1,630	87.7	14,40	76.5
Automobile .....	3,016	73.1	2,980	76.7
Others .....	1,750	103.2	486	97.9
Total .....	57,080	104.6	50,058	99.5
(Increased Value) ..	(7,022)	—	(6,704)	—

Note: \*The ratio of the obligatory reserve against the net premium revenue.

#### 4. OPERATION OF ASSETS

(In million yen)

Kind of Operation	1955		1954
	Value	% of Total Assets	Value
Cash & Deposits .....	28,949	29.7	24,870
Securities .....	32,556	33.4	26,298
Loans .....	11,478	11.8	11,484
Real Estate .....	12,774	13.1	11,599
Total .....	85,758	87.9	74,251
Revenue from Assets .....	5,956	—	5,186
Yield Rate of Operation, % ..	7.44	—	7.69

## 5. LEADING FIRE &amp; MARINE INSURANCE COMPANIES

Name	1955 Premium Revenue (in million yen)
Tokio Marine & Fire Insurance .....	14,638
Yasuda Fire & Marine Insurance .....	8,566
Taisho Marine & Fire Insurance .....	8,295
Nippon Fire & Marine Insurance .....	7,199
Nichido Fire & Marine Insurance .....	7,065
Sumitomo Marine & Fire Insurance .....	7,060
Dowa Fire & Marine Insurance .....	6,177
Nissan Fire & Marine Insurance .....	4,723
Chiyoda Fire & Marine Insurance .....	4,574
Fuji Fire & Marine Insurance .....	4,374
Koa Fire & Marine Insurance .....	3,926
Nisshin Fire & Marine Insurance .....	3,469
Kyoei Fire & Marine Insurance .....	2,722
Dai Tokyo Fire & Marine Insurance .....	2,453
Taisei Fire & Marine Insurance .....	1,148
Asahi Fire & Marine Insurance <sup>1</sup> .....	551
Daiichi Fire & Marine Insurance .....	484
Toyo Fire & Marine Insurance .....	378
Taiyo Fire & Marine Insurance .....	284
Toa Fire & Marine Insurance* .....	3,703

\*Specializing in reinsurance business.

## Leading Insurance Companies

Conducting non-life insurance business are 20 corporations, large and small. Of these, Toa Fire & Marine Insurance alone specializes in reinsurance, and all others are engaged in all sorts of insurance against loss. Table 5 lists all these firms in order in terms of premium revenues (the special reinsurance firm excepted). Let us summarize the activities and characteristics of 12 representative underwriters (authorized capital in brackets).

**Tokio Marine & Fire Insurance** (¥4,000,000,000.)

The predecessor of this firm, as already mentioned, was set up in 1878 by Yataro Iwasaki, or the founder of the Mitsubishi financial clique, and some feudal lords in accordance with the advice of Eiichi Shibusawa, the father of modern industry in Japan. It contributed its bit to the snowballing growth of the Mitsubishi group stimulated by the initial success in marine insurance business. Later it launched upon fire, transit and other non-life insurances. It was 1944 that Tokio Marine & Fire Insurance as it now stands was formally incorporated through merger of three Mitsubishi affiliates, namely Mitsubishi Marine Insurance and Meiji Fire Insurance as well as Tokio Marine. Incidentally, in this year the Government strongly encouraged the amalgamation of non-life insurance firms, so several others were brought into being in that year as will be explained in the following.

Before the Second World War, "Tokio Marine" was one of the best known Japanese firms all over the world. Together with the Yokohama Specie Bank and Nippon Yusen Kaisha, it conducted extensive activities abroad and played a key role for economic development of Japan. In time of war, however, it was forced to give up all its transactions with third countries, and its assets accumulated abroad (for instance, estimated at \$10,000,000 in the United States and at £2,000,000 in Britain) were all confiscated.

After the war, therefore, the company has to make a new start from scratch. But it has suc-

cessfully built up its ever-widening connections with foreign underwriters. It now is under sole agent contract with New India Assurance Company, Ltd., and Cornhill Insurance Company, Ltd. Acting as agent for assessment of damages and payment of insurance money as per marine insurance policy, it has signed claim settlement agency contracts with the following interests:

1. Appleton & Cox, Inc.
2. Automobile Insurance Company of Hartford and Standard Fire Insurance Co. of Hartford
3. La Concorde Cie d'Assurances
4. Assicurazioni Generali
5. Tai Ping Insurance Co.
6. Alexandria Insurance Co.
7. Black Sea and Baltic General Insurance Co., Ltd.
8. Comité Central des Assureurs Maritimes de France

The company has already restored its reinsurance system, having signed special contracts with Lloyd's in London and many other interests in tens of countries, such as the United States, India, France, Italy, Switzerland and Belgium.

With its scale bolstered again to the prewar mark in all respects, the company now is the biggest underwriter in Japan. Its premium revenue in 1955, for instance, amounted to ¥14.6 billion, or ¥6 billion more than that of Yasuda Fire & Marine Insurance, the runner-up. At the end of March, 1956, it held the obligatory reserve of ¥9.7 billion, or 117.8% of the net premium revenue in fiscal 1955. Including a lot of favorite shares in Mitsui-

*For your  
banking  
needs in  
Japan*

ESTABLISHED 1897

**THE NIPPON  
KANGYO BANK  
LIMITED**

HEAD OFFICE: HIBIYA, TOKYO

OVER 100 BRANCHES  
THROUGHOUT JAPAN

bishi-affiliated companies, its assets as of March 31, 1956, reached ¥17.7 billion.

**Yasuda Fire & Marine Insurance** (¥2,000,000,000)

This company was also brought into being in 1944 when three Yasuda-backed non-life insurance firms merged themselves. They were Tokyo Fire Insurance (established in 1887, and having absorbed Taihei Fire Insurance in 1941 and Toyo Fire Insurance in 1943), Teikoku Marine Insurance (set up in 1893, and having taken over Daiichi Fire Insurance in 1943), and Daiichi Boiler Insurance.

The company enjoys an unchallengeable position in fire insurance as the amalgamated Tokyo Fire Insurance was the oldest firm in this field. Of its total premium revenue, fire insurance accounts for 66% compared with 22.4% for marine insurance, while on the other hand Tokio Marine & Fire Insurance's corresponding ratio stands at 50.5% and 37.5%, respectively.

In fiscal 1955, the company's premium revenue added up to ¥8,600 million. At the end of March, 1956, it held the obligatory reserve of ¥6,387 million, or 117.16% against the net premium revenue. This reserve rate is fairly high.

The company is an agent in Japan for Eagle Star Insurance Co. of England, and Leslie & Godwin, Ltd., acts for it in England. It has signed reinsurance contracts with over 40 underwriters abroad.

**Taisho Marine & Fire Insurance** (¥1,800,000,000)

Established in 1918 with Mitsui interests as a main prop, this company rapidly came into its own, particularly in marine insurance in full collaboration with Mitsui Bussan.

After the war's end, the company had long been in stagnancy. But conditions began to improve substantially in April, 1955, when a campaign for re-merger was pushed by leading deconcentrated firms of the Mitsui group. Its business expanding steadily, it now appears to enjoy the best results among the non-life insurance companies.

In fiscal 1955, the company's premium revenue summed up to ¥8,295 million, or on the same level as that of Yasuda Fire & Marine Insurance (see Table 5). Such rapid development was ascribed to its success in marine insurance, especially in cargo insurance. Its revenue from marine insurance amounted to ¥2,902 million compared with Yasuda's ¥2,336 million, though its revenue from fire insurance was ¥4,663 million, or smaller than Yasuda's ¥5,324 million. In cargo insurance, its revenue reached ¥1,228 million, or far larger than Yasuda's ¥717 million.

At the end of March 31, 1956, the company's obligatory reserve summed up to ¥5,728 million, or 130% of the net premium revenue. This reserve rate was higher than that of Tokio Marine & Fire Insurance. In fiscal 1955, as already mentioned, insurance companies managed to boost their revenues more than previously imagined, mainly because the automobile damage indemnity insurance had newly been instituted. As for this company, however, the better results came from the exceptionally rapid increase in marine insurance, and a further development is foreseen in this direction.

In cooperation with this firm are Willis, Faber & Dumas Ltd., Northern Assurance and Dominion Insurance of England and North American Insurance of the United States. Moreover, the company has a network of agencies in about 200 cities in the world, conducting ever-widening businesses in underwriting as well as in reinsurance.

**Sumitomo Marine & Fire Insurance** (¥1,800,000,000)

As its title indicates, this company is Sumitomo's outfit in the field of non-life insurance. Its establishment dates back also to 1944 when two firms decided to unite themselves—i.e. Osaka Marine Insurance (set up in 1893 and having merged Settsu Marine Insurance in 1943) and Sumitomo Marine Insurance (a successor to the defunct Fuso Marine Insurance founded in 1917).

This company had had no strong backing from trading firms because Sumitomo as a whole was not much interested in international trade. Thus, it has long been far behind the afore-mentioned three magnates in this business—Tokio Marine & Fire, Yasuda Fire & Marine and Taisho Marine & Fire.



FIRE . . . . . MARINE  
TRANSIT . . . ACCIDENT  
AUTOMOBILE . . FOREST  
BURGLARY . . . LIABILITY

*The*  
**NISSAN**

**FIRE & MARINE  
INSURANCE CO., LTD.**

HEAD OFFICE:  
2, 1-chome, Shiba Tamura-cho,  
Minato-ku, Tokyo

After the war, in spite of the Zaibatsu deconcentration, Sumitomo has fairly retained its unity and established Sumitomo Shoji K.K. to bolster its position in international trade. Consolidating its closer ties with this trading concern as well as C. Itoh, Marubeni-Iida, etc. in the Kansai district, Sumitomo Marine & Fire Insurance now ranks among the first class underwriters.

In fiscal 1955, this insurance company earned ¥7,060 million worth of premiums or the sixth largest amount (see Table 5). In terms of assets composition, it can be said to excel Nichido Fire & Marine Insurance which, though it got the fifth largest amount of premiums in 1955, has been putting major efforts on "simple" (premiums payable in installments) insurance for dwellings. Of the total premium revenue, fire insurance accounts for as much as 64.7%, of which the revenue from fire insurance for factories, mostly under management of Sumitomo-affiliated corporations, makes up a large proportion. All this indicates that this firm is firmly founded upon the close interdependency among Sumitomo interests.

At the end of fiscal 1955, the company's obligatory reserve amounted to ¥4,914 million, its rate against the net premium revenue standing at 125.2%. The reserve rate was the second highest next only to that of Taisho Marine & Fire Insurance. Thus, though somewhat smaller in scale, this company can well emulate the first class underwriters.

**Nippon Fire & Marine Insurance** (¥1,800,000,000)

Though the preceding four companies are backed by leading Zaibatsu groups, this company has been making steady progress without any Zaibatsu backing but with allout aid from local banks, such as Saitama, Chiba, Shiga and Joyo. It was formally incorporated in October, 1944, through merger of Nippon Fire Insurance (set up in April, 1892) and Nippon Marine Insurance (established in March, 1896). The so-called big five non-life insurance firms in Japan include this company as well as the four Zaibatsu affiliates.

In fiscal 1955, this company earned the ¥7,199-million premium revenue, or the fourth largest amount as listed in Table 5. Of this total, fire insurance comprised 64%. In transit insurance as well, the company, together with Tokio Marine & Fire Insurance, hold their predominant positions except Koa Fire & Marine Insurance which, co-operating with Nippon Express, is almost monopolizing transit insurance as will be explained elsewhere.

As of March 31, 1956, the company held the ¥4,782-million obligatory reserve. The reserve rate was 105.8%, or comparatively lower than that for other big interests. But this was ascribed to the fact that fire insurance, mostly for dwellings and other constructions which bear smaller risks, accounts for a major portion of the total business.

Obligatory reserves are usually smaller for low-risk buildings.

For overseas activities, the company is in co-operation with the following foreign underwriters: English & American Insurance Company and the British Insurance Group of England, and Hanover Fire Insurance Company and Continental Insurance Company of the United States.

The preceding five companies, popularly known as the Big Five, conduct extensive business abroad as well as at home. The following concerns, however, are concentrating their businesses efforts on domestic markets, and their overseas activities are rather limited.

**Dowa Fire & Marine Insurance** (¥1,600,000,000)

This is another insurance company established in 1944 along the lines of the Government-encouraged merger movement. Though the amalgamation at that time was carried out by affiliated interests in most cases as already pointed out, this firm was brought into being in Osaka through combination of four independent concerns, i.e. Kyodo Fire Insurance (founded in 1906), Yokohama Fire Insurance (set up 1897), Kobe Marine Insurance (established in 1907), and Asahi Marine Insurance (organized in 1918). These had had no relationship whatsoever with one another, but they finally decided to liquidate themselves for organization of one big corporation. As each of them had conducted fairly prosperous business, the



Established: 1918

**DAI-TOKYO**  
**FIRE & MARINE**  
**INSURANCE CO., LTD.**

Address:

3-2 Nihonbashi, Chuoku, Tokyo

Tel. (27) { 2751~9  
2761~4

newly-established company could claim a position next only to that of the Big Five group.

In fiscal 1955, the company's premium revenue reached ¥6,177 million, or the seventh largest amount (see Table 5). Of this total, fire insurance comprised as much as 61%, but marine insurance came to account for 23%, or relatively a big chunk, because the company is favorably located in Osaka, one of the biggest ports in Japan. Its obligatory reserve, however, totalled not more than ¥3,762 million, the reserve rate standing at 99%, or far lower than that of the leading underwriters. Thus, nothing appears to be more essential for this firm to consolidate its internal assets.

Though under agency contract with such foreign interests as Northern Assurance, Dominion Insurance, Home Insurance and North American Insurance, the company's overseas activities are far less extensive than those of the preceding five firms.

#### *Nichido Fire & Marine Insurance* (¥800,000,000)

This company is a successor to Tokyo Property Fire Insurance set up in 1898. Taking over the latter's business, Nippon Movable Property Fire Insurance Co. was established in 1914. The new company successfully initiated "simple" fire insurance so that small merchants and enterprisers and working masses might be able to pay their premiums in monthly installments. It was renamed Nichido Fire & Marine Insurance in 1944 when it was merged with Toho Fire Insurance.

In fiscal 1955, the company earned the ¥7,065-million premium revenue, or the largest amount comparable with those of the five Zaibatsu affiliates. Of this total, as much as 88% goes for fire insurance, of which "simple" insurance represents nearly one half. Marine and other lines are negligible.

The reserve rate as of March 31, 1956, came at 85.1%, or far lower than that for other underwriters. But this was mainly because risks are substantially small for "simple" fire insurance.

#### *Nissan Fire & Marine Insurance* (¥800,000,000)

The predecessor of this firm was Nippon Casualty Insurance Co. established in 1911 mainly for casualty insurance business. After 1919, Nippon Casualty Insurance changed its name three times. In June, 1937, it was renamed Nissan Fire & Marine Insurance when it was put under the wings of Nissan, a newly-rising Zaibatsu at that time. The new company absorbed Showa Fire Insurance in 1938 and Pacific Marine Insurance in 1944.

This company failed to make such snowballing growth as was attained by other Zaibatsu-affiliated insurance firms, for Nissan as a whole had no financial backing unlike Mitsui, Mitsubishi and Yasuda. It still is an insurance underwriter of medium standing.

In fiscal 1955, the company earned premium

revenues, amounting to ¥4,725 million. It is to be noted that of this total, auto insurance comprised 14%, or much larger than in the case of other insurance companies. At the end of March, 1956, its obligatory reserve aggregated not more than ¥2,630 million, or 88% of the net premium revenue. It is under reinsurance contract with 15 fire and 11 marine insurance firms in England, including Lloyd's. It is cooperating with nearly 40 foreign underwriters in all.

#### *Chiyoda Fire & Marine Insurance* (¥360,000,000)

This company, together with Chiyoda Life Insurance, are the two major affiliates of the Okura financial clique. It was established in 1945 through amalgamation with Chiyoda Fire Insurance (set up in 1913) and Okura Fire Insurance (a successor to Nisshin Fire Insurance founded in 1911). It has no particular characteristics except that much weight is given to fire insurance at home.

In fiscal 1955, the company's premium revenue totalled ¥4,574 million, or the ninth largest amount. Of this total, fire insurance took 63.3%, marine insurance 13.7%, and automobile insurance 14.1%. In the field of auto casualty insurance, it is emulating Nissan Fire & Marine Insurance.

As of March 31, 1956, the company held in its vault ¥2,590 million as obligatory reserves. The reserve rate came at not higher than 88.8%. Generally speaking, the reserve rate is usually lower for firms of medium standing than for the first class underwriters—a serious issue the former must needs solve for further development.

#### *Koa Fire & Marine Insurance* (¥750,000,000)

This company was also incorporated in 1944 through merger of four small non-life insurance firms—Daihoku Fire Insurance (set up in 1910, Tatsuma Marine Insurance (founded in 1919), Shinkoku Marine Insurance (created in 1921) and Amagasaki Marine Insurance (organized in 1918). At that time, its head office was located in Osaka but moved to Tokyo in 1948.

Taking advantage of its close relations with Nippon Express which is practically a sole agent for National Railways Corp., this company has built up an unchallengeable position in transit insurance. In fiscal 1955, it earned the premium revenue of ¥3,926 million, of which transit insurance represented 20.5% compared with 47.1% for fire insurance and 13.9% for marine insurance. Its premium revenue from transit insurance alone reached ¥700 million. Far exceeding Tokio Marine & Fire Insurance's ¥302 million, the figure was the biggest among all the local non-life insurance firms.

As of March 31, 1956, the company held the obligatory reserve of ¥2,345 million. Its reserve rate stood at 91.9%, or not so high as that of the first class underwriters. But the composition of

The company's premium revenue in fiscal 1955 added up to not more than ¥2,453 million, or the smallest amount among all the insurance firms except those set up after the war's end. Of this total, 90% went for fire insurance. It is also to be noted that "simple" fire insurance represents a comparatively high percentage as in the case of Nichido Fire & Marine Insurance. As of March 31, 1956, its obligatory reserve totalled ¥1,462 million. Its reserve rate was not more than 86.9%, but this was merely because risks are usually very small in fire insurance for dwellings.

Dentsu Building, Nishi-Ginza, Tokyo

THE ORIENTAL ECONOMIST

# Japan's Aircraft Industry

*By Shoichi Ueda*

As a result of the defeat in World War II, the world-renowned capabilities of the Japanese aircraft industry were completely annihilated. The various aircraft manufacturers of Japan, with a combined output in army and navy planes of more than 24,000 units per annum in fiscal 1954-55, experienced 7 long years of vacuum, during which time they held doggedly on to their surviving facilities and to their experience-hardened engineering personnel. Needless to say, these aircraft companies undertook effective conversion whenever opportunity beckoned, making good use of their facilities and skills, which had been sharpened by the wartime demands for high output. Consequently their contribution to postwar development of automobile, motorcycle, scooter, marine gas turbine, and other manufacturing activities was by no means small. When it became possible, with the revision of the "Potsdam" ordinances in April 1952, to resume production of aircraft, these manufacturers, like fish returned to water, promptly regained vitality and began to formulate plans for reconstruction of their somnolent industry.

## Seven Years' Blank

Needless to say, the core of aircraft requirements is made up of military needs; but in 1952 Japan's defense establishment was barely past the gestation stage, and the National Police Reserve had become the new National Safety Board only in August of that year. The Safety Board did not have a single plane to its name, while the Air Defense Corps was then nothing more than an idea. Consequently, everything was extremely nebulous about aircraft maintenance or aircraft production.

At this time there appeared from private sources various plans and recommendations in connection with national defense, and of these, the "Tentative Plan Concerning Build-Up of National Defensive Strength," published by the Defense Production Committee of the Federation of Economic Organizations in 1952, became the center of attention of interested parties, not only among Japanese officials, but also in the United States. This plan called for special emphasis on air strength, and recommended the build-up, over a period of five years, of an air force of 2,900 planes, including 900 interceptors. The corresponding aircraft production program was drawn up to meet the minimum requirements, so the annual output at the end of five years was scheduled at about 900 planes. However, this production plan subsequently underwent several revisions as a result of the unofficial five-year defense build-up plan formulated by the

National Defense Board, and with the production capacity reduced to about one-half, the result was considerable postponement of the completion date of the plan as recommended by the Federation of Economic Organizations.

## Aircraft Maintenance and Overhaul

Because it was no minor task to rehabilitate Japan's aircraft industry which had been retarded by seven years, it soon became obvious that there would be no way of resuming operations other than by a new start beginning with maintenance and servicing of aircraft, building up in this way plant facilities and skills, and learning at first hand the astonishing advances made by the military aircraft designers and manufacturers of the United States. For servicing and overhaul of aircraft equipment the first contract with the United States Air Force was awarded in July 1952 to the Showa Aircraft Company. Then the Kawasaki Aircraft Company won USAF contracts in August 1953 for servicing airframes, and in September 1954 for jet engines. The Mitsubishi Heavy Industries, Reorganized was let a USAF contract in June 1953 for servicing airframes, while in the same month the Japan Aircraft Company was given a similar contract. In July 1955 the Shinmeiwa Kogyo Company was awarded a United States Navy contract for servicing airframes, and other contractors for repair and overhaul of aircraft parts and instruments are: Kayaba Kogyo (landing gear, wheels and brakes, February 1954); Fuji Seimitsu (engine components, August 1954); Tokyo Koku Keiki (instruments, June 1953); Tokyo Keiki (instruments, November 1953); Nippon Musen (radio equipment, January 1952); Nippon Koku Denshi (electronic equipment, June 1954); Shin Chuo Kogyo (electrical equipment, December 1954); Shinko Denki (electrical equipment, November 1952 and January 1955); and Fuji Sangyo (parachutes, September 1952 and November 1955). The above-named companies are continuing with their contract work, and in this way are familiarizing themselves with American products and American plant management methods. The amounts earned by these enterprises through overhaul and repair of United States military aircraft, parts and equipment were ¥1,000 million in 1954, and ¥2,800 million in 1955. The aggregate since 1952 stands at about ¥4,300 million or \$12 million.

Meanwhile, the number of planes allocated to the National Defense Board has been increasing, and although the quantity is still small orders for maintenance and servicing have been forthcoming regularly from this source. Contracts during the

current fiscal year are expected to increase considerably.

#### Aircraft Production

The number of airplanes manufactured since 1952 when production became possible stands at: 10 in 1953, 36 in 1954, and 73 in 1955. These aircraft are without exception light planes for training or military liaison purposes. Apart from the experimental planes produced by Okamura Seisakusho, New Tachikawa Aircraft, and Kawasaki Kokuki, together with the assembled knock-down planes turned out by Toyo Koku, the others were a dozen or so Bell helicopters assembled by Kawasaki Kokuki, and 49 trainers assembled by Fuji Heavy Industries plus 27 planes of Japanese design built by the same company. The total value of this production, including equipment, is estimated at ¥5,400 million.

Aircraft production in the advanced nations of the West since the war underwent a revolutionary change with the advent of planes powered by reliable turbo-jet engines, and Japan's aircraft industry cannot become full-fledged until jet planes are in steady production. Negotiations between the United States and Japan in regard to jet-driven planes began early in 1955, and on June 3 of that year there was signed an agreement to produce in Japan, with United States aid, 70 F-86 fighters and 97 T-33 trainers by the end of June 1957. The details of this agreement are as follows:

a. The United States Government will provide the materials, parts, equipment, and jigs and tools needed for assembly of the planes. Measures will be taken to provide the necessary technological assistance and licensing for production of the two types.

b. The Japanese Government, with the materials and parts furnished by the United States Government, will enter into contracts with the companies entrusted with production (Mitsubishi Heavy Industries, Reorganized for the F-86 Fs, and Kawasaki Kokuki for the T-33s) for assembly of the planes, and the completed units will be delivered to the Air Defense Force. The materials and parts of the T-33 will gradually be produced in Japan.

c. In the event of disputes arising from technical or administrative matters in connection with this project, arbitration will be undertaken by an executive committee composed of the representatives of the two governments.

d. Aircraft production on the basis of this agreement will be as follows (Japanese fiscal year):

	1955-56	1956-57	1957-58
F-86 F.....	—	27	43
T-33 .....	4	66	27

e. Estimated funds requirements for the project in fiscal 1955-56 are:

Japanese Government.....	¥ 5,780 million
Fiscal outlay .....	500 million
Treasury loans .....	5,280 million
U.S. Government .....	12,860 million (\$36 million)

The Kawasaki Kokuki completed in January this year the first T-33 trainer, and has since been delivering assembled planes to the Air Defense Force. Mitsubishi Heavy Industries, Reorganized has completed plant facilities for the assembly of F-86 Fs, and the first completed plane is expected to come off the line this coming October.

The second United States-Japan agreement concerning jet aircraft production was signed on April 17 this year; and this arrangement extends the current project on to the end of June, 1958, by which date another 110 F-86 Fs and 83 T-33 As will be assembled. For this second program, the cost to the Japanese Government will be ¥11,200 million, while the United States Government will be paying ¥10,000 million.

In this way, there will, over a period of two years, be production of jet planes costing some ¥17,000 million. This is indeed a notable spurt considering the fact that since 1952 the total spent for aircraft production, including equipment and accessories, came to but ¥5,700 million: ¥2,500 million in 1953, ¥1,400 million in 1954, and ¥1,800 million in 1955.

#### Problems Confronting Aircraft Production

Jet planes assembled in Japan are already in service and are marking vapor trails in the Japanese sky. Now, although this is a noteworthy step in the history of Japan's aircraft industry it must



ESTABLISHED: 1944

THE  
KOA FIRE &  
MARINE  
INSURANCE CO., LTD.

Head Office: 15, Muromachi,  
Nihonbashi, Chuoku, Tokyo,  
Japan

be remembered that the parts and equipments of these planes are of American origin, and that Japanese labor and skills are involved only in the assembly and adjustment work.

Aircraft manufacture is a composite industry requiring infinitely higher precision than ship-building, rolling stock manufacture, or motor vehicle production. More than 20,000 different components go into a jet plane, and in the United States there are some 300 companies specializing in the manufacture of specific parts and accessories. Consequently, if the two jet types now being assembled in Japan are to be made completely reproducible with Japanese components the technological assistance contracts between Mitsubishi, Reorganized and North American, and Kawasaki Kokuki and Lockheed are far from adequate, and it would be necessary, strictly speaking, to have Japanese parts and equipment makers work under licensing arrangements with the more than 300 American specialty companies. To date, technological tie-ups have been effected in regard to some 20 key components, as listed in the subjoined table, and in some cases commercial production is already under way. Negotiations are in progress in connection with some 20 more essential components, and there is a considerable number of Japanese manufacturers desirous of obtaining licenses from American and other aircraft parts producers.

Technological assistance arrangements generally are called for when because of extremely precise or complicated manufacturing processes it is difficult to undertake production singlehanded. Because in the case of the jet aircraft production agreement between the United States and Japan there is a specific clause excluding full reproduction in Japan of component and parts manufacture the problem has arisen of the necessity of licensing and other technological assistance arrange-

ments for items which can, with Japanese knowhow and skills, be readily produced.

Japan has endeavored to absorb the technology of the advanced nations, and has had considerable success in specific fields of industry. During the war, the Japanese aircraft industry was able to hold its own, both in regard to quantity and quality. However, today, the aircraft manufacturers and engineers of Japan are going through the pains of catching up with the highly advanced aircraft industry of the United States. But it is certain that the effort will culminate in success, and that not only will the production of jet aircraft types approved by the United States Government be possible, but there will sooner or later be advances toward production of jet planes of purely Japanese design and manufacture. Nevertheless, the aircraft industry faces even stiffer international competition than other industries, while developments are so rapid that there is little stability as a field of enterprise. Therefore, with the strength of private industry alone it would be too much to hope for the advent of a purely Japanese jet airplane. It will therefore be necessary to seek government aid, and to make a concerted effort in order to produce a Japanese jet aircraft capable of internationally acceptable standards of performance.

Predictable Requirements

The biggest question facing the aircraft industry concerns future requirements. With the situation such that civilian demands cannot be banked upon, government requirements become the key to aircraft industry operation. Since the National Defense Council Establishment Law was enacted by the National Diet recently, the Government should take it upon itself to formulate a long-range plan for aircraft production on the basis of defense plans, and should put more effort into fostering the capabilities of Japan's aircraft industry.

The long-range plan, in addition to the jet fighters and trainers already scheduled for pro-

TECHNOLOGICAL ARRANGEMENTS FOR AIRCRAFT COMPONENTS

Foreign Corporation	Nationality	Japanese Company	Type of Component Involved
Sperry-Product Inc.....	U.S.	Tokyo Keiki Seizosho	Gyro Horizon, Directional Gyro, Engine Analyzer, Gyro-Compass
Cannon Electric .....	U.S.	Nippon Koku Denshi Kogyo	Connectors, Solenoids
Bendix Aviation Corp. ....	U.S.	Tokyo Keiki Seizosho	Starters, Accelerometers, Turn & Slip Indicators, Boost Control
Bendix Aviation Corp. ....	U.S.	Hokushin Denki Seizosho	Autosyn, Magnesyn, and instruments utilizing same
Bendix Aviation Corp. ....	U.S.	Shinko Denki	Carbon Pile Regulators, DC & AC Generator
Bendix Aviation Corp. ....	U.S.	Kayaba Kogyo	Generator Control Relays, Relays and Contactors, Inverters, Dynamotors, Starter Generators
Bendix Aviation Corp. ....	U.S.	Yokogawa Denki Seisakusho	Brake, Main Wheel, Nose Wheel, Accumulator, Drive Flap Selector Valve, Shut-off Valve, Alighting Gear Emergency Selector Valve, Two-way Valve.
Bendix Aviation Corp. ....	U.S.	Tokyo Keiki Seizosho	Magnetos, Jet Engine Ignition Systems
Bendix Aviation Corp. ....	U.S.	Bridgestone Tire	Manufacture of the ADF (type ARN-6)
Goodyear Tire & Rubber Co. ....	U.S.	Yokohama Rubber Co.	Aircraft tires & Tubes
B.F. Goodrich Co. ....	U.S.	Dunlop Tyre Co.	ditto
Dunlop Rubber Co., Ltd.....	U.K.	Shimadzu Seisakusho	ditto
Garrett Corps. ....	U.S.		Flow Valves and Pressure Regulators
I.G.E. Co.....	U.S.	Ishikawajima Juko	Electric Temperatures Controls, Turbines, Williamsgrip Connectors
Bendix Aviation Corp. ....	U.S.	Koito Seisakusho	Production of Parts of J 47 Aircraft Gas Turbine Electric Connector and Cable Clamp

duction, should set up targets and programs for production also of transport planes, anti-submarine patrol aircraft, various types of jet engines, and other items.

At the same time, steps should be taken to order from Japanese manufacturers more and more of the replacement parts and components going into United States aircraft repaired and serviced in Japan. Moreover, since the nations of South-east Asia are in possession, due to bigger military aid, of a growing number of United States type aircraft, effort should be made to supply these nations with complete planes, parts and accessories manufactured in Japan.

The Aircraft Committee of the Federation of Economic Organizations, and the Society of Japanese Aircraft Constructors have time and again made representations to the Japanese Government in connection with promotion of Japan's aircraft industry. However, measures have not been set up with much adequacy because the aircraft industry remains rather disorganized and no definite policies in regard to defense planning have as yet been formulated. The core of the promotion measures should be recognition of the special nature of the aircraft industry and the extension of special comprehensive aid. The specific actions, enumerated below, are as has been repeatedly recommended in the past.

1) Use of fiscal funds for promotion of the aircraft industry

*a.* Special equipment, facilities and machinery, testing equipments and special jigs and tools, Etc. should be purchased by the government and leased to civilian manufacturers

*b.* Increased amounts should be made available for applied research and test production for industrialization

*c.* A government-operated testing and research facility for aircraft equipment, accessories, materials, and parts should be established and strengthened

2) The budget available for purchase of aircraft should be used efficiently

*a.* Determination of prices should be done on the basis of developmental thinking and a rational cost accounting system

*b.* Widening of the scope of advanced payments in the case of aircraft procurement by the National Defense Board

3) Government assistance and guarantees in regard to aircraft industry fund requirements

*a.* Inclusion of the aircraft industry among those eligible for Development Bank and Long-Term Credit Bank credits

*b.* Government guarantees in connection with borrowings from city banks

*c.* Reduction of rates of interest payable

4) Special Tax Abatement Measures

*a.* Exemption from corporate income tax

*b.* Exemption from import duties and commodity tax

*c.* Reduction of the depreciation period for machinery and equipment

*d.* Expansion of the scope of accelerated amortization and special cumulative amortization

*e.* Long-term exemption from business tax

and fixed assets tax.

The Government is studying the recommendations, and it is fervently hoped that prompt action will be taken in these respects.

#### Future of Japan's Aircraft Industry

As already stated, Japan's aircraft industry is off to a new start on the basis of United States aid for the production (assembly) of jet airplanes. The effort at present is mainly to make up for the 7 years of enforced idleness during which progress in America and in Europe was truly astounding. We should not be satisfied in being able to reproduce air-planes of United States design and origin; while the F-86s and the T-33s we are now working on will before a few years have gone by become quite obsolescent. Already, the supersonic F-100s are airborne in American and European skies.

Nevertheless, because it has always been the rule in Japan to copy the techniques of more advanced nations, than to digest and to improve upon the knowledge acquired, it will not be long before aircraft of purely Japanese design leave the drawing boards and take form as practical vehicles. In the same way that the Japanese merchant marine sailed the seven seas with ships built in Japan, the airspace throughout the world should one day be traversed by planes of Japanese creation. This and nothing else should be the aim of Japan's aircraft industry.

*(The writer is a member of the Division of Economic Cooperation of the Federation of Economic Organizations.)*

## EASTERN WORLD

**Independent**

**Impartial**

**The Link Between East and West**

This world-famous, influential monthly magazine published in London, contains all the essential politico-economic background information for those who play an important part in commercial relations between East and West.

*Yearly Subscription: £1.10 (12 issues, post-free)  
(Airmail rates on application)*

#### ASIAN ANNUAL

A reference book for businessmen, giving the latest available trade information and statistics on Asian countries.

15/-

*Order through your newsagent or direct from:*

**EASTERN WORLD**

58, Paddington Street, London, W.1 (England)

*Glimpses of Japanese Culture*

## Contemporary Japanese Painting

By Atsuo Imaizumi

A few years ago I was on a long, wide tour of survey and study of the Western world of art, covering most of Europe and the United States of America. After the prolonged years of war—years of being cut off from all currents of artistic activities of the West, I was quite curious to have a "first hand" contact with contemporary art in the Western world.



Warrior at Kisegawa  
By Yukihiko Yasuda

But more than this, I wanted to have a "second look" back on the art situation of my own country in context of the world art. I wanted a fresh perspective on the contemporary Japanese art—a perspective not blurred by any narrow nationalistic color lenses.

Thus, I tried to visit as many people as possible to see their views on the Japanese art. They included curators of art museums, art critics, painters and even men on the street who were willing to cooperate.

When I met in London one Mrs. Somerville, Director of the Art Department of the British Council, I asked for her opinion of the countries she thought were most outstanding in the field of artistic activities, and she named the following in the order of their importance: France, Britain, Italy, the United States, Germany, Mexico, and probably Japan. "How about Spain?" I asked. "Oh", she said, "she has many good artists but not in the country itself. They are all abroad; and Japan is a sort of Dark Horse."

This prepares me to speak of the actual situation of Contemporary Art in Japan.

The outstanding feature about Contemporary Japanese Art, not found elsewhere, is that we have two distinct streams of artistic current flowing in our midst: oil painting in the Western, imported styles along with painting in native styles. Of course, there is a lively intermingling of the two styles in many individual instances, yet the distinction is quite clear. Such a phenomenon is unique and since the two currents have great potentiality and power, they influence each other in a surprisingly active manner. This is the creative center of fecund promises upon which we would always like to keep our eyes on.

It is the prevailing impression of Westerners who are not really intimate with contemporary Japanese art—looking at traditional Japanese style painting—to imagine that they are the Epigonus of old Chinese painting. Originally yes, but actually in contemporary Japanese art, even in the seemingly traditional styles of painting we see around us we find that they have been completely cut off, separated from their old sources and changed into a very different thing.

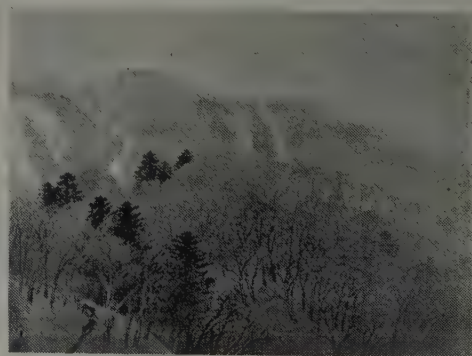
For instance, in old Chinese painting there are two well-known styles; the Hoku-ga, Northern style; and the Nanga,

Southern style.

Now, in Japan, the Northern style or Hoku-ga, prevailed in the Tokugawa Era (1603-1867) and was known as the Kano style of painting. In recent years, the famous old man of Japanese painting, Taikan Yokoyama, after digesting this style as his personal idiom, developed his own consummate Japanese style. He was the master of the "sumi" painting and revealed the symbolization of the ideal of Japanese spirituality. His creative achievement lay in reviving this beauty, this ancient beauty of the Oriental spirit, in a new form, in a personal style in his own time. But, in these postwar years the influence of his style is rapidly waning. Such symbolization of the spirit hardly seems to suit the deeply complex atmosphere of present Japan, although, I grant the presence, the imbedded feeling of nostalgia for such things even among the younger artists.

As for the Nanga or the Southern style that also prevailed especially in the Tokugawa Era and known as the "literary style", it was more or less Japanized, simplified in accordance with the simpler temperament of the Japanese. After the Tokugawa Era, the style had degenerated. However, the interesting and significant thing is that our contemporary Western style oil painters like Ryuzaburo Umehara and Kazumasa Nakagawa had actually revived this Nanga tradition in something like a renaissance of deep spirituality that is perceptible as an undercurrent, in our present chaos. But not for the younger generation who wanted to revive this Nanga style in their own way.

Another traditional style prevailing since the middle of the Tokugawa Era is the Shijō-ha or the Shijō school of painting originated by Goshun. It is a style of lyrical realism. This type of style and sense of realism suited the painting of Japanese landscapes, in expressing the mild and tender. This style is still active in such painters as Gyokudō Kawai and especially among the Japanese style painters in Kyoto. However, our younger artists who are too deeply involved in a complex of psychological and sociological dilemmas are still dissatisfied with any previous style: they want something more direct, dynamic, intellectual. Another old prevailing style is the Ukiyoe school; but this too is fated in the same way as the others just mentioned.



Hills in the Evening  
By Gyokudo Kawai

It is rather the Rimpa style that had prevailed since the beginning of the Tokugawa Era originated by such famous painters as Sotatsu and Korin that is now being revived with better promise than the others. This is the most potent of native styles ruling the day, and has a great influence among a host of the better Japanese artists today. Yukihiko Yasuda and Seison Maeda are among these. It is being revived in a combination

of naturalistic and decorative elements into a new native style of our day. However, what I want to stress and bring to attention in this connection is the word "decorative" here. In this Japanese sense, this has an important and a very different sense of association and meaning from "decorative" as used in the West. By "decorative" we mean here much more it is meant as the symbolization of the Oriental spirit impregnated in the traditional expression of our art. And it is not geometric, but always organic in expression, which in itself has a complex associative significance. But even here, our younger reactionaries, our fresh

artistic talents feel that something is deeply lacking to suit the more urgent needs of their spirit and expression. And so, it finally comes to, that we have to take in, import the styles of contemporary Western art.

This we are doing. Most of our young generation painters are doing it, sometimes too avidly. And one often hears the cry: "These are mere imitations!" But I say it again, this is inevitable, I concede to the inevitability of the outcry: but I won't go "all the way" to what is being asserted by these critics. For, we are in a phase of experiment, of discipline and



A Nude

By Ryuzaburo Umehara

schooling in which a certain superficial imitativeness becomes the inevitable path in the further progress of our young artists whose ultimate aim is something far besides, towards what is at once more native, but more international as well; For, anyone, even slightly acquainted with the movement of artistic activities in the world today, will sense that all the nations of the world are seeking, even in their artists, a common goal, a common means of expression which is obviously international, rather than narrowly native in intent and means. So with contemporary art and artists here in Japan. However, even in this seeking of a common mode of expression, there is always the deep influence and strong presence of a distinctly Japanese touch.

The solution, therefore, of the agonizing problems of Japanese contemporary art, seen in this world-light, becomes hued with deepest significance not only for this country's art, but for World Art as well.

So many people and critics as well are saying that Japanese artists are but "poor imitators of the West." It is also true; more deeply, less obviously that Japanese artists are equally under the deep impress of her traditional native styles. Since the Meiji Era so many Japanese painters have gone to the West and learnt the technique of oil painting. Naturally they "took on" the styles of Western oil painting. For instance, the well-known Ryuzaburo Umehara, certainly a representative oil painter here, in his young days studied under Renoir, but then subsequently, he reverted to his native, oriental tradition and is still working in it.

In the Western style of painting here there is always a continual swerving of trends to and fro, between what is international and what is national. At one time it is international, at another time it is more nationally inclined. So what is seen of postwar trends is that they are not so consciously nationalistic, and yet in essentials they have something which is deeply native. What is actually there is an international and prevailing trend away from mere naturalism: cubism, abstrac-

tionism, surrealism, are instances of the trend.

However, what I want to bring to your attention is that in the long and ancient history of Oriental art what is non-naturalistic, abstractionistic, even surrealist, is not new. So that, speaking in this sense, this Western trend of art is rather easily digested into our system. Rather, what is more apprehensively felt is that this "melting into our system" is something too facile: that there is not enough of real struggling, not enough of that struggling, to "break through" into a new area of experience as was the case in the origination of these movements in the West. At the same time, due to the shortness of our history in oil painting, we lack, unfortunately, the firm basis of an academic standard in this field comparable to anything in the West. This is the weakness of our Avant-gardism.

To conclude, I want to bring again to your attention the amazing fact that nowhere else in the world is there such lively interest and involvement in this East-West commingling of artistic cultures. And I hopefully feel that we are coming upon a very interesting period of artistic activities not to be seen anywhere else in the world. Really, I feel, seen in this perspective, that we could be called a "Dark Horse." My thought is that Japanese art in the near future will rise to become something one may expect of such a Dark Horse. For the following reasons:

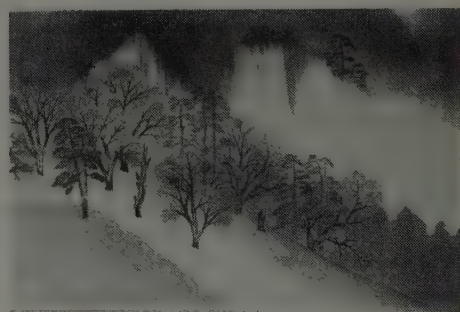
*First:* The art of painting has the closest connection with the human hand, but one sees also that it has an equally deep immediacy with the human spirit; in other words, it is essentially a primitive mode of expression. This type of art is always a handicap in highly mechanized civilization: it is almost an "alien," atavistic remnant of old cultures. But then, in a country like Japan where the pressure of mechanization is never all-prevailing as in the West, painting still has an influence strong enough to make its own impact.

*Second:* Situated historically as we are on the edge of the continent of Asia, we have been right along inheriting and absorbing the cultures of Persia, India and China; in the same way, we are now absorbing Western culture and Western painting. What the present Japanese painters absorb and produce will not become eclectic, superficial, or undigested. I hopefully feel they will still remain pure, serenely native, original, but revealed in the bloodstream of world art.

*Third:* The love of art in the Japanese is unrivalled in the world; and in our younger generation, after the war, this tendency has taken a deep root. Talent is never lacking, nor is it small; Until now we were outside the world current of art, but not hereafter: hence the promise and significance of the future of Japanese art.

I hope and believe that by the end of our present century Japanese art, our painting, will become something to be accounted for in the broader field of world art. This is my deep faith.

(The writer is Deputy Director of the National Museum of Modern Art, Tokyo)



The Flow of Eternity

By Taikan Yokoyama

## Commodity Market

**Cotton Goods** :—The cotton yarn market, which had been extremely soft throughout July, stiffened unexpectedly from early August and continued firm into September. This is a queer trend as domestic demand has not been large enough to go side by side with increasing production. Exports in August also did not fare particularly well with both shipments and contracts not exceeding the 90,000,000-sq.yd. mark for cotton fabrics while the output well exceeding the 220,000-bale mark. Domestic demand for cotton yarn is not expected to mark any noticeable gain and cotton yarn is bound to slip, particularly for finer-count items. Meanwhile, the raw cotton imports for the second half of fiscal 1956 (October, 1956 to March, 1957) are expected to make a fair increase over the originally-expected mark. At the start of the current fiscal year, the Government earmarked the sum of \$395 million (enough for 2,150,000 bales) for the imports of raw cotton for fiscal 1956 with the total imports divided into 1,180,000 bales for the first half (\$220 million) and 970,000 bales for the second half (\$175 million). Because of the fall of international cotton prices, however, it has become possible for Japan to import 1,330,000 bales in the first half and to purchase 1,120,000 bales in the second half. With the original sum earmarked for the purpose, Japan thus will be able to buy 300,000 tons more of raw cotton from abroad. Meanwhile, cotton spinning circles, afraid that the larger imports of raw cotton may force domestic spinners to curtail production again, are asking the Government to restrict the second-half imports to around 970,000 bales. On the other hand, the world cotton prices are likely to slip further. The U.S. Department of Agriculture announced on September 10 the second forecast of the 1956-57 cotton production in the United States, placing the estimated output at 13,115,000 bales, some 1,606,000 bales smaller than the 1955-56 crop of 14,721,000 bales and 437,000 bales less than the first forecast. The estimated production decline, however, is not expected to have any effect whatever on the bulky 15,400,000-bale cotton inventories in the United States and there is every possibility that the price of cotton stocked by the U.S. Government will slip further.

The sentiment at the domestic cotton exchange appears immune to the international transition, as traders have been extremely bullish and the prices have continued firm.

**Chemical Fibres** :—Rayon filament yarn quotations, which used to rally to the ¥270-280 mark towards the close of the month in June through August, appear bound to follow the same course in September. The strong keynote of rayon filament yarn prices has been based largely on brisk exports (chiefly to China, India and Korea) and lively domestic demands. The yarn export price has already risen some ¥10 per lb. for Kobe for some items as compared with two months ago, and the average export quotation has come to stand at around ¥170 per lb. The August production of rayon items totalled 20,107,000 lbs. while the exports for the same month reached 1,574,000 lbs. in filament yarn and 35,747,000 square yards in fabrics.

The prices of spun rayon yarn continued firm under the support of fair exports and active domestic demands, as in the case of rayon filament. The only trouble with this item is the speedier production gain of spun rayon than the increasing tempo of spun rayon spinning equipments. Hence, spun rayon is threatening to become oversupplied. The prices have naturally been weakening somewhat with October deliveries standing at ¥105 per lb. or thereabouts as compared with the ¥107 level for

September shipments. It is expected that the quotations of all spun rayon items will begin to slip. The August output of spun rayon amounted to 59,799,000 lbs., up 704,000 lbs. over the July production. Exports in August totalled 2,512,000 lbs. for spun rayon yarn (606,000 lbs. less than July exports) and 52,570,000 sq. yards for spun rayon fabrics (down 4,783,000 sq. yards from July).

**Woollen Yarn** :—Woollen yarn prices, weak from June through July, rallied fairly from early August and continued steady into September chiefly because of the recovery of the Australian wool quotations. The Australian wool market, which opened the current season on August 27 at the initial quotation at 118 pence (about three pence up over the last season per lb.), is expected to continue stiff due to the flood damage in Australia, the Suez Canal crisis, the delayed purchase by consumer countries due to the shearers' strike last season and the overall increase of wool consumption in leading countries.

Autumn-winter items are apparently having fair starts and weavers are expected to begin stocking wool spring items in the near future.

**Raw Silk** :—Raw silk was the only blacksheep of the textile family with the quotations steadily down while other fibres were firm and strong. The spot quotation (20/22 A) closed the month of August at the ¥190,000 mark and continued lethargic into September. Silk reelers are apparently finding it extremely difficult to make both ends meet as cocoons are rising and silk is slipping. Some filatures have already closed down and leading manufacturers (like Katakura, Kanebo, Wakabayashi and Shinei) are planning to dwarf their silk departments. The outlook is not unconditionally dark, however, as the low silk prices are attracting new customers and the price recovery is being studied by the Government and custodying authorities.

### MAJOR TEXTILE QUOTATIONS

		Cotton Yarn (Osaka)	Rayon Yarn (Osaka)	Spun Rayon Yarn (Osaka)	Woollen Yarn (Nagoya)	Raw Silk (Yokohama)
Feb.	4....	188.9	223.1	148.7	998	1,239
	11....	190.7	227.1	145.9	1,007	1,909
	18....	192.6	224.6	142.1	996	1,901
	25....	186.0	219.9	135.8	1,030	1,909
Mar.	3....	189.5	215.4	138.5	971	1,909
	10....	193.6	222.3	136.5	968	1,905
	17....	201.9	230.8	136.0	980	1,904
	24....	205.9	243.0	136.4	1,006	1,896
Apr.	31....	196.9	243.5	140.9	990	1,918
	7....	195.0	235.6	143.0	990	1,938
	14....	198.0	244.0	146.9	1,015	1,951
	21....	202.6	247.0	150.0	1,038	1,999
May	28....	213.0	246.2	158.0	1,088	2,059
	4....	214.8	255.0	159.1	1,140	2,099
	12....	196.0	247.0	154.0	1,099	2,090
	19....	200.0	238.5	152.1	1,155	2,031
June	26....	203.9	240.1	159.9	1,171	2,041
	2....	190.9	233.9	151.0	1,150	2,069
	9....	200.6	245.5	157.7	1,191	2,079
	16....	199.9	253.7	157.5	1,185	2,070
July	23....	203.1	281.0	157.8	1,201	2,076
	30....	196.0	250.0	154.0	1,130	2,062
	7....	193.6	268.0	152.7	1,095	2,019
	14....	186.0	268.0	152.0	1,048	1,987
Aug.	21....	187.0	278.5	154.5	979	1,938
	28....	170.5	251.5	143.3	962	1,956
	4....	183.7	256.0	148.5	1,018	1,989
	11....	180.5	260.9	149.8	1,015	1,964
Sep.	18....	183.3	269.9	152.5	1,039	1,938
	25....	181.9	272.9	150.0	1,023	1,909
	1....	182.9	248.0	149.3	1,057	1,941
	8....	183.6	245.1	149.5	1,064	1,924
	15....	182.6	263.6	149.1	1,080	1,906

## Labor

**Sohyo Meeting Held:**—From August 25 through 28, Sohyo held its seventh regular meeting in Ota Ward Assembly-Hall in Tokyo. Glued to this crucial rally of the giant labor organization (membership—3 million) were eyes of astute labor critics both domestic and abroad. One of the most important items at stake: the choice of union officers.

In Sohyo there have been two rival factions always warring for the hegemony of the biggest labor organization. One often dubbed as "main stream" group is headed by vice-president Kaoru Ota (synthetic chemical industry back-ground) and secretary-general Akira Iwai (National Railways background), while the anti-main stream faction is led by former secretary-general Minoru Takano (metal industry background).

This year the main stream faction put up Yukitaka Haraguchi, secretary-general of All Japan Miners Union, against the anti-main stream group's Makoto Ichikawa, secretary-general of All U.S. Garrison Forces Employees Union. The fight was really something to see, as the anti-main stream group fought so desperately to keep its ideologically different opponent from taking the presidential seat. Mr. Haraguchi is currently the Tokyo representative of International Confederation of Free Trade Unions and a staunch antagonist against communism, while Mr. Ichikawa is a recognized fellow-traveller. After an exciting neck-to-neck fight, Mr. Haraguchi won the presidency 130 to 70.

**Changes in Principles:**—Another crucial point in the meeting was drafting of the organization's principles for the future. There were lively discussions pro and con to the tentative principles laid down by the main stream faction. Main changes include: A) the "subsistence wage by industry" system (the system in which the minimum wage is determined both by the age and the character of a certain industry) should be reinforced by the "plus alpha" system (the system in which a worker, regardless of the industry's scale and character, should be paid a certain uniform amount); B) further stress on the organization's stand against the productivity improvement movement; C) crossing out of the proposed principle that Sohyo would not cooperate with Japan Communist Party.

At a first glance, it may strike the reader that the bulk of the Sohyo members, in spite of the new, anti-communis-

tic leader, are more inclined to the red ideology than before. But on stricter observation, the facts that the principle of cooperation with the Communist Party was passed by a slight majority of only four votes and that many of the Sohyo officials now have enough confidence in themselves that they will not allow the Communist Party to overrun their territory ought to convince the reader that it is very unlikely that Sohyo will sway heavily toward Communist camp in any immediate future.

**U.S. Garrison Forces Employees Strike:**—In early July, new, far more strict punishment regulations swooped down on the Japanese employees of the U.S. garrison forces like a regular bolt from the blue. From then on two garrison employees unions—All-U.S. Garrison Forces Employees Union (Zenchuro) and Japan-U.S. Garrison Forces Employees Union (Nitchuro)—had been planning counter-attack to force the authorities to compromise and finally came up with strike tactics in two waves—the first on August 27 and the second on September 24.

As of now, there are upwards of 180,000 garrison employees working at various American and British army installations including PX's, of whom Zenchuro embraces 90,000 members, Nitchuro, 13,000, while Kansai-churo (Kansai District Garrison Forces Employees Union) commands 4,300 members.

Under the penalty regulations which are composed of 21 ambiguously worded principles, a worker could be readily dismissed by the security forces in case he is late for work without reason, tardy to work, does work otherwise not authorized, engages in private work during duty hours, or uses slanderous words against his comrades or supervisors. He may lodge complaints in accordance with the regulations on disposal of grievances, but the final decision rests with the security forces.

The regulations on remuneration provide for the payment of monetary awards to workers who have contributed toward promoting economy and efficiency for the American forces.

The new regulations are quite all right in theory. But in practice, especially in Japan where, for centuries, more lenient regulations have prevailed, the sudden change for far stricter discipline could result in disaster.

So the Japanese security forces em-

ployme unions have been asking for the gradual implementation of the new regulations. But the sudden decision on the part of the security forces to go all the way at one jump resulted in the current strike waves.

Some would like to assert that Japan Procurement Agency should have been firmer in its stand to fully state Japanese employees' case in its conference with the security forces authorities. But the threat that even if Japan would not accept the proposed new regulations, the security forces would go right ahead with their own ideas seemed to have left no room for Japan Procurement Agency to argue.

But the security forces employees unions are still adamant saying that they could not accept the new regulations which had been cooked up without any notification to the unions.

In view of the close ties between the two countries, the hope is that the both sides will come halfway to each other and that they will soon iron out their differences.

**More Jobs, Less Unemployed:**—On September 11, the Statistics Bureau of the Prime Minister's office made public the results of its surveys on the labor markets in July. According to the papers, agriculture-forestry workers fell down as many as 1.2 million from the peak month of June to 18.53 million in July. This drop is seasonal and comes just at this time of the year when the farmer's busy season in spring is passed.

In mining-manufacturing category, the employment indices have constantly been on a sharp upcurve with July, 1956, registering 520,000 gain over the previous month. This is no less than 1,470,000 job increase over the same month a year ago.

By type of work, self-employed increased by 150,000, family employees by 100,000, while the remaining 290,000 persons were absorbed by secondary and tertiary industries.

The improvement in the labor markets was also seen in the monthly labor statistics published by the Ministry of Labor. Regular employees index as of end of July stood 0.3% over that of June, the monthly report says.

In view of the fact that there was virtually no change between the figure in June and that of July, even 0.3% is a considerable improvement.

## Foreign Trade

### Trade in August

Japan's foreign trade in August continued to fare well with exports at \$217 million (up \$19 million over July) and imports at \$289 million (up \$18 million), according to the Customs statistics. Thus, the imports hit a new postwar peak while the exports were the third largest, ranking next to December, 1955 and March, 1956. The August's export volume exceeded the \$20 million mark, and the unfavorable balance of the July trade volume decreased by \$6,800,000. Of the imported commodities in August, barley and coal temporarily increased, while foodstuffs (exclusive of barley) and textile materials which take large percentages of the total imports tended to cease increasing. On the other hand, exports which temporarily tended to cease increasing now enjoy steady increase, especially those of machinery and textiles. Under the circumstances, Finance Ministry also holds that the trade balance has turned to improve from August, 1956.

The foreign exchange receipts of August equaled the payments at \$283 million. This was an improvement from the unfavorable balance of July at \$12 million. Of the foreign exchange receipts, exports accounted for \$213 million (increased by \$8 million over July) due largely to the active export of ships as well as marine products and iron and steel on the other hand, payments for imports amounted only to \$232 million (decreased by \$10 million from July) because all sorts of imports except for iron ore decreased. Foreign exchange receipts totaled \$2,122 million, and payments totaled \$1,886 million since the beginning of 1956, balancing favorably at \$237 million, a slight improvement over the same period of 1955.

### Foreign Exchange Budget

The Government decided the plan for formulating the foreign exchange budget

for the second half of fiscal 1956 (October-March, 1957) at the Ministerial Council held on September 11. The gist of the plan is as follows: (1) A large allowance is to be made for importing raw materials needed for mining and manufacturing industry, and other vital necessities for the people, but allocation of foreign exchange is to be made only for those items required in a trade agreement among imports not essential for the economy of Japan. (2) The global budget for imports which is not limited by the boundaries of currency areas and more economical is to be increased. (3) The reserve is to be increased in order to give more flexibility to the operation of the budget. (4) The differentiation in the amount of allocation by the countries trading with Japan is to be made according to the treatment each of them give to Japan. (5) Imports from the Sterling Area which have been encouraged to avoid dollar shortage will get less encouragement than before. (6) Imports through the Automatic Approval System will get a larger coverage of items.

The Ministry of International Trade and Industry plans to make the scale of the foreign exchange budget for imports during the second half of fiscal 1956 about \$1,600 million. The reserve in the budget for imports during the second half is planned to be increased from the first half's \$50 million to about \$150 million. So the total amount of the budget for imports will add up to \$1,750 million. In the budget for the second half, the new items in the Automatic Approval System will include iron ore from Goa, tungsten ore, linters, and lemon, but phosphate rock, abaca, waste cotton, and soybeans which take up a large percentage of the total imports are likely to be left out in the cold again. The estimate of the trade volume of fiscal 1956 on which the foreign exchange budget for the second half is based indicates that exports would total

about \$2,400 million, imports more than \$2,800 million, and the favorable balance of the invisible trade about \$350 million. Thus the balance of international payments is estimated to range from favorable \$100 million to zero.

### Bumper Crop & Rice Imports

The Government faces to solve the problem of determining the amount of the foreign exchange allocation for rice to be imported from abroad in the formation of the foreign exchange budget for the second half of fiscal 1956. The loss of colonies and the ever-increasing population have made the post-war Japan unable to supply the people enough foodstuffs from her own land. For instance, Japan imported \$643 million of foodstuffs in 1954, and \$611 million in 1955. Rice occupies one third of the total foodstuffs imported (\$251 million in 1954, and \$197 million in 1956) and the yearly amount of rice imported has been from 1,100,000 m.t. to 1,400,000 m.t. The principal countries from which rice was imported during 1955 were Thailand, Burma, Taiwan, China and the US.

Since much of imported rice does not satisfy the Japanese people's taste, it is getting less consumed as the supply of foodstuffs has grown considerably. The monthly consumption of imported rice which used to average around 75,000 m.t. in 1952 and 1953 now has declined to 45,000 m.t. Consequently, imported rice now in storage already amounts to 40,000 m.t. (about ten times the nation's monthly consumption of imported rice). The Government therefore is compelled to pay for the storage of imported rice about ¥200 million each month. Moreover, the rice crop in 1956 in Japan is expected nearly as large as the bumper crop last year under the present propitious weather. The demand for imported rice will decline further. Therefore, the Ministry of Agriculture and Forestry and Finance Ministry plan to limit the allocation of foreign exchange to import rice for the second half of fiscal 1956 just enough to buy about 300,000 m.t. At the beginning of fiscal 1956 it was planned to import 1,230,000 m.t. during fiscal 1956 (of which the first half budget covered 510,000 m.t.). So in the original plan, more than 700,000 m.t. was planned for the second half.

On the other hand, MITI and the Foreign Ministry, from the point of view that a drastic cut of rice imports from South-east Asian countries would decrease Japan's exports to them, oppose the Ministry of

### 1. FOREIGN EXCHANGE (In million dollars)

	August, 1956	* Gains	Jan.-Aug. 1956	Jan.-Aug. 1955
Receipt .....	282.5	8.1	2,122.6	1,664.2
Exports .....	212.7	8.0	1,594.7	1,212.0
Invisible trade .....	69.8	0.0	527.8	452.1
Special Procurement .....	50.3	2.8	379.5	350.2
Payments .....	283.0	(-) 3.3	1,886.0	1,430.9
Imports .....	232.4	(-) 10.3	1,537.2	1,225.0
Invisible trade .....	50.6	6.9	310.8	205.9
Balance .....	△ 0.4	11.4	236.5	233.2
Commodity trade .....	△ 19.7	18.4	19.5	△ 12.9
Invisible trade .....	19.2	(-) 6.9	217.0	246.2
Deferred payments .....	3.8	(-) 6.8	129.2	104.2
Net balance .....	△ 3.8	18.3	107.2	128.9

Source: Bank of Japan. △ Adverse. \* Gains or losses (-) compared with July, 1956.

Agriculture and Forestry and the Finance Ministry. Certainly rice has a large percentage of Japan's imports from South East Asian countries. For example, Japan's exports to Thailand totaled \$63 million in 1953 and imports from Thailand amounted only to \$10 million if rice (which totaled \$50 million) was to be subtracted. This means that the equilibrium in the Thai-Japan trade is maintained by Japan's import of rice from Thailand which accounts for about 300,000 m.t. annually. Of imports from Burma which totaled \$46 million in 1955 rice accounted for \$35 million, and imports from Taiwan which totaled \$81 million during the same period included \$32 million of rice. Consequently, the reduction of rice imports from these countries causes a great decline in imports from them, which in turn will rebound upon Japan's exports to them.

## 2. RICE IMPORTED TO JAPAN

Exporting Countries	1954		1955	
	(1,000 m.t.)	(\$1 million)	(1,000 m.t.)	(\$1 million)
Spain .....	49	9	29	5
U.S. ....	346	68	243	42
China .....	75	13	133	19
Ecuador ....	28	6	0	0
Peru .....	22	4	0	0
Burma .....	327	51	236	35
Pakistan ....	24	6	0	0
Australia....	0	0	6	1
Thailand....	380	59	341	50
Taiwan ....	43	9	183	32
Italy .....	67	13	66	11
Indochina ..	46	9	—	—
Egypt .....	0	0	10	2
Total ....	1,432	251	1,246	197

Source: MITI.

## Surplus Farm Produce from America

Negotiations for a third Japan-U.S. trade agreement for receipt of U.S. surplus farm produce will get underway between this fall and next spring. But except for the Ministry of Agriculture and Forestry which wants to continue to use the yen counterpart funds which will become available with the acceptance of the surplus products, it is strongly felt in the Government that the ways of receiving the U.S. surplus farm produce should be carefully examined and improved. Consequently it has become likely that in the third agreement the amount Japan will accept would be greatly cut down.

The first agreement between Japan and the U.S. on the U.S. surplus farm produce was concluded in May, 1955 and the second agreement in February, 1956. Under these agreements, the U.S. farm produce has been brought into Japan as indicated in the Table, and 70% of the yen counterpart funds in the first agreement and 75% in the second were available for use by Japan. The yen counterpart funds were mainly used for the power resources and farm development programs.

Already in the previous second agree-

ment, Japan tried in vain to keep the amount of farm produce receipt at a lower level than she was forced to conclude. Let us examine the past negotiations over Japan's receipt of cotton and leaf tobacco.

(1) Cotton: Japan wanted to receive 50,000 bales of cotton in the second agreement, but upon the request of the U.S. it was raised to 100,000 bales. Furthermore, the target of Japan's imports of cotton on the regular route from the U.S. was settled 675,000 bales despite Japan's insistence upon 600,000 bales. Here what is noteworthy is the fact that the price of the U.S. cotton is maintained by the support of the U.S. Government higher than the international level. For example, the U.S. cotton was priced during the period between July, 1955 and January, 1956 15-18% higher on the average than the Mexico cotton. In such a situation, it is only natural that the Japanese cotton industry is very reluctant to import the U.S. cotton. In an effort to cope with the situation in order to reach the goal in the agreement, the Japanese Government had to resort to the following measures. (1) Japan's export of cotton fabrics to the U.S. were linked with her imports of the U.S. cotton. (2) The security for the U.S. cotton imported to Japan was exclusively lowered to 5-1%. (3) Credit to private traders for importing the Mexican cotton was stopped.

In spite of the Japanese Government's strong measures, Japan's regular imports of the U.S. cotton by the end of June, 1956 reached only 480,000 bales. Thus the period in which the goal of 675,000 bales should be attained was extended till the end of September, 1956.

(2) Leaf tobacco: As a result of the first agreement, Japan had already almost overstocked leaf tobacco. Nevertheless, Japan was forced to agree to buy 2,900 m.t. in the regular trade and 1,500 m.t. in the surplus. Since leaf tobacco is imported by Japan Monopoly Corporation who has all advantages of being a government organization, the goal in the regular trade was achieved. But the Corporation's stock of the U.S. tobacco increased to the amount that can be regularly supplied for 39 months. The Corporation therefore formed a five year plan to reduce the stock down to the amount for 27 months.

(3) Other demerits about the imports of U.S. surplus farm produce have been that they have been generally in bad quality and the procedures required for importing them have been extremely cumbersome. Furthermore, more than half of the surplus farm produce imports have been required to be shipped on U.S. cargo-boats. The huge amount of imported U.S. farm

produce has tended to hamper the trade between Japan and other countries exporting farm produce to Japan.

## 3. SURPLUS FARM PRODUCE AGREEMENTS

	First		Second	
	(1,000 m.t.)	(\$1 million)	(1,000 m.t.)	(\$1 million)
Wheat .....	340	22.5	450	27.3
Barley .....	55	3.5	100	4.8
Fodder .....	—	—	110	6.4
Rice .....	100	15.0	—	—
Cotton* .....	175	35.0	100	18.7
Leaf tobacco**	2,721	5.0	1,500	2.7
Freight cost ..	—	4.0	—	5.9
Total .....	—	85.0	—	65.8

Note: \*In 1,000 bales. \*\*In metric ton.  
Source: Ministry of Agriculture and Forestry.

These disadvantages were pointed out by the public at the time of the negotiations for the second agreement. This time, Finance Ministry and the MITI also have become quite wary of the acceptance of the surplus farm produce. They express their views as follows.

(1) Clearly too much of cotton and leaf tobacco has been imported from the U.S. under the second agreement. But it is also doubtful whether the agreed amounts of wheat and other foodstuffs were really essential. Especially now that the food supply situation has quite improved after the bumper crops during the past two years, the amounts of wheat and fodder to be imported under the agreement should be kept at a minimum level even if Japan is to conclude the third agreement.

(2) The yen counterpart funds which have been made available for Japan under the first and the second agreements have been used to develop Japan's power resources, water reservoir construction for farming, etc. The benefit of the yen counterpart funds was mainly that they were loaned at a lower interest rate than loans from other Japanese sources on a long-term basis. When it is doubtful that the benefit would offset the losses Japan sustains on account of unduly huge quantities of the U.S. surplus farm produce, it would be a mistake for Japan to make an agreement for unnecessary imports, this is especially true when there could be ways for the Government to subsidize or give loans to essential development programs.

(3) The fact that the U.S. surplus farm produce imports are made with yen seems to help relieve the dollar shortage for a short period. But it is unnecessary to go as far as buying farm products Japan does not require in order to save dollars when Japan's dollar holdings have increased. Under the second agreement, 75% of the yen counter funds are available for Japan as 40 year-term credit (annual interest rate at 3-4%). But the loan must be returned to the U.S. in dollar in the end, and it would constitute a heavy burden upon Japan in the long run.

## Investment Outlook

### Beer's "Big 3"

**Past Growth:**—Beer was first brewed in this country in 1872 when an American engineer erected a beer brewery in the City of Yokohama under the name of "Amanuma Beer." At that time, the production was exclusively bound for foreign residents in Japan as well as for exports to Shanghai and its neighboring areas. In 1876, another beer brewery, larger-scaled than the Yokohama mill, was established in Sapporo, Hokkaido Island, a governmental institution managed by the Hokkaido Colonization Office. This governmental brewery was sold to a private industrialist in 1887 and made a fresh start under the name Sapporo Beer Company in 1888. Sapporo Beer merged with Nippon Beer Brewery and Osaka Beer Brewery in 1906 to create Dainippon Beer Brewery Co., Ltd. Dainippon Beer continued to be the largest beer brewer in this country from that time up to 1949 when it was dissolved under the provisions of the Excessive Economic Power Decentralization Law into the two new companies—Asahi Breweries and Nippon Breweries. The Japanese beer industry passed through the three major stages during the period from 1887 to World War II. The first stage was marked by the mushrooming of small beer breweries and their consequent liquidation and amalgamation; the second stage was featured by the change from the import period to the export period; and the third stage witnessed the marked expansion of production through extensive mechanization of domestic breweries. For instance, more than 20 beer breweries in business in 1906 were merged into three corporations by 1913 while the national production during the interim increased from a little over 10,000 *koku* to 24,000 *koku* (1 *koku*=about 180.4 litres) and further to 490,000 *koku* in 1918. The beer exports also jumped from 24 *koku* in 1896 to 120,000 *koku* in 1918 while the beer imports continued to dwindle steadily from the peak of 9,000 *koku* in 1887 until Japan became totally-sufficient long before World War I.

**Beer & Pacific War:**—Japan's beer industry experienced the hardest blow during the Pacific War when it was severely oppressed as a "peace-time" industry. Numerous breweries were ordered merged or closed and the beer sales and prices were strictly controlled. The production natu-

rally dropped miserably. As of 1939, there were four beer companies with 15 breweries in Japan proper, two firms with two breweries in Korea, three firms with three breweries in Manchuria and two big breweries in China, all under Japanese control, and the annual production reached 1,730,000 *koku* in the mainland and 200,000 odd *koku* at such overseas breweries. With overseas breweries lost and domestic mills damaged heavily by the war, the production was reduced to about 460,000 *koku* a year at the time of the war's termination. The postwar recovery, however, has been energetic, especially after July, 1949 when beer was decontrolled and the production in 1955 registered a new all-year peak of 2,265,225 *koku*, as shown in Table 1.

#### 1. JAPAN'S BEER PRODUCTION (In *koku*)

Prewar Peak (1939).....	1,734,434
1944.....	880,474
1945.....	461,777
1946.....	532,186
1947.....	516,182
1948.....	504,880
1949.....	770,206
1950.....	947,300
1951.....	1,505,135
1952.....	1,626,055
1953.....	2,167,436
1954.....	2,211,082
1955.....	2,265,225
*1956.....	1,354,568

Note: 1 *koku*=180.39 litres.

\*January to June total.

Source: Asahi Breweries.

**Home Demand & Exports:**—The "Big 3"—Nippon Breweries, Kirin Brewery and Asahi Breweries monopolize the Japanese

#### 3. BEER SHIPMENTS BY "BIG 3"

(In *koku*)

	Asahi Breweries		Nippon Breweries		Kirin Brewery	
	Domestic	Export	Domestic	Export	Domestic	Export
1951.....	498,727	34,297	520,810	4,840	427,285	14,628
1952.....	495,957	69,984	526,392	7,322	504,698	15,294
1953.....	687,323	63,374	689,618	10,130	685,438	17,305
1954.....	681,948	86,556	698,091	12,216	803,377	8,197
1955.....	708,510	15,015	701,912	17,186	825,788	8,658

Source: Asahi Breweries, Ltd.

of beer have been on the sound gain. At the time of the war's termination, the beer industry was divided by the two leaders—Dainippon Beer Breweries and Kirin Brewery, but the former was partitioned into the two companies (Nippon and Asahi) in September, 1949 to convert the beer market into a triumviral affair. At present, Kirin and Asahi have four breweries while Nippon commands five, and all of them are engaged in manufactur-

ing cider, tansan, juice and similar soft drinks as well.

#### 2. JAPAN'S BEER SHIPMENTS

(In *koku*)

	Home Consumption	Exports	Total
1951.....	1,446,828	53,766	1,500,584
1952.....	1,527,047	92,601	1,619,648
1953.....	2,062,381	90,809	2,153,190
1954.....	2,163,417	56,970	2,220,387
1955.....	2,236,212	40,859	2,277,071

Source: Asahi Breweries.

During the five years, 1951 to 1955, beer exports were particularly brisk in 1952 and 1953 due to the increase of shipments to Korea after the end of the Korean War to fill the special procurement demand by the Allied Forces in Korea. In the two years under review, such special procurements (bound for Korea) accounted for more than 80 per cent of beer exports. The gradual decline of beer exports in the past two years (1954 and 1955) is chiefly due to the steady withdrawal of the Allied forces from Korea. Major destinations of Japanese beer exports at present are Okinawa, Korea and Hong Kong and small shipments are also made to Hawaii, Los Angeles, San Francisco, Chicago, New York and Portland.

In the recent five years, Nippon Beer has been markedly advancing to the export field to replace the past predominance of Asahi Beer while Kirin Beer has been making a formidable advance in the domestic market.

**"Big 3" Showings:**—The business results of the "Big 3" have been favorable as both the production and consumption

ing cider, tansan, juice and similar soft drinks as well.

The order in 1949 (Asahi, 35.9%; Nippon, 39.0%; and Kirin, 25.1%) was reversed in 1955 when the order stood with Kirin leading at 36.9%, followed by Asahi at 31.7% and Nippon at 31.4%. Kirin thus has been making headway at the sacrifice of the other two leaders.

The advance of Kirin is chiefly attributable to its positive sales campaign on the

#### 4. BEER SHIPMENT PERCENTAGES OF "BIG 3"

	Asahi	Nippon	Kirin
1949.....	35.9%	39.0%	25.1%
1950.....	33.6	37.0	29.4
1951.....	33.5	36.0	29.5
1952.....	32.5	34.4	33.1
1953.....	33.3	33.4	33.3
1954.....	31.5	31.4	37.1
1955.....	31.7	31.4	36.9

Source: Compiled by the *Oriental Economist*.

domestic market. In the sales of soft drinks, however, Asahi takes the helm and Nippon closely follows with Kirin taking the rear. For instance, shipments of cider in 1955 present the following picture:

#### 5. "BIG 3" CIDER SHIPMENTS, 1955

	Cases	%
Asahi.....	3,834,833	61.6
Nippon.....	1,432,082	23.0
Kirin.....	961,122	15.4
Total.....	6,228,037	100.0

Note: One case containing two dozens.  
Source: Asahi Breweries, Ltd.

After all, however, beer is the most important factor contributing to the business results of beer firms. As shown in Table 6, Kirin Brewery, with the largest beer shipments, has been registering the best earnings. For instance, for the half-year term ended June, 1956, the profit rate (the rate of profit against capital) stood at 110 per cent for Kirin, 84 per cent for Asahi and 76 per cent for Nippon. For the same term, Kirin gave a 22% dividend per annum against 20% dividends given by Nippon and Asahi.

Meanwhile, the "Big 3" beer companies have recently decided on their respective capital expansion plans. According to the announced plans, Asahi and Nippon will increase capital by 25 per cent (through share dividends) while Kirin will boost capital by 50 per cent (of which 40% by share dividends and 60 per cent by share payments). The proposed capital increase will take effect as of January 1, 1957 for Asahi and Nippon and December 1, this

year for Kirin. Through the expansions, Kirin's capital will rise from ¥1,234 million to ¥1,845 million while Asahi and Nippon will have theirs boosted from ¥1,454 million to ¥1,825 million.

Beer shares have long been a favorite target of investment for traders and they are bound to continue so. The dividend rates of the "Big 3" however, are likely to drop from the half-year term ended June, 1957. Nippon and Asahi will cut their dividends from the present 20% (per annum) by 2% to 18% while Kirin will also reduce its dividend from the present 22% by 2% to 20%, but the yields to shareholders will remain almost intact as they will be adequately compensated with share dividends at the time of the capital expansions. The interest yields of the "Big 3" shares after the forthcoming dividend cuts will stand as follows:

#### 7. "BIG 3" YIELDS AFTER DIVIDEND CUTS

	*Share Prices	Dividend Rates	Yields
Asahi.....	¥174	18%	5.2%
Nippon.....	163	18	5.5
Kirin.....	225	20	4.4

\*As of Sept. 13 Closing Quotations at Tokyo Securities Exchange.

Source: *The Oriental Economist*.

Thus, the yields will fall to a comparatively low level even taking into consideration the fact that the current share prices are based on share dividend prospects in the forthcoming capital increases.

Kirin Brewery is erecting a new brewery in Tokyo (the annual capacity at 100,000 *koku*) while Nippon and Asahi Breweries are also planning to build new plants, although no details have as yet been announced. Of the three, Kirin shares have been bought at the lowest yield apparently because of its positive policy as well as its better showing. Regardless of such minor differences, all the "Big 3" beer shares are none the less some of the most dependable stocks worthy of selective buying and steady holding.

#### 6. "BIG 3" BUSINESS RESULTS

	Term ended June, 1955	Term ended Dec., 1955	Term ended June, 1956
<b>Asahi Breweries</b>			
Total sales (¥100 million).....	130	141	150
Profit (million yen) .....	523	542	611
Profit rate (%) .....	72	74	84
Dividend rate (%) .....	20	20	20
<b>Nippon Breweries</b>			
Total sales (¥100 million).....	116	128	119
Profit (million yen) .....	475	503	554
Profit rate (%) .....	65	69	76
Dividend rate (%) .....	20	20	20
<b>Kirin Brewery</b>			
Total sales (¥100 million).....	129	156	157
Profit (million yen) .....	562	602	674
Profit rate (%) .....	92	98	110
Dividend rate (%) .....	22	22	22

Note: Profit rate is per annum obtained by multiplying profits by 2 (two half-year terms) and then dividing the quotient by capital. Sales are before tax. (Capital: Asahi & Nippon—¥1,460 million; Kirin—¥1,230 million)

Source: Compiled by the *Oriental Economist*.

Investment  
Opportunities  
in  
Japan.

## DAIWA SECURITIES CO., LTD.

Fast growing industries  
and liberal rules  
for repatriation  
of principal  
and income  
make  
Japanese  
securities  
an  
attractive  
investment  
for  
Foreign  
investors.

HEAD OFFICE:  
8, 2-chome Otemachi,  
Chiyoda Ward,  
Tokyo, Japan

CABLES: FUBILL  
Tel: 23-4331

## Book Review

### Two Japanese Villages

(Center for Japanese Studies. Occasional Papers No. 5)

*Kurusu, A Japanese Agricultural Community*

by Robert J. Smith

*Matsunagi, The Life and Social Organization of a Japanese Mountain Community*

by John B. Cornell

University of Michigan Press, Ann Arbor, 1956 Pp. 232

Both studies comprise part of the program of the University of Michigan Center for Japanese Studies, surveying a variety of hamlets in southwestern Japan. The authors describe community life in Japanese villages as observed in their field work lasting one year.

Since the object of these studies is to clarify the Japanese ethnographical society, the materials gathered through individual interviews and direct observations on the modes of life in the communities are assessed more as representative of all Japan than as characteristic of the regional differences between various Japanese rural areas. As a result, the survey has a different character from the rural village studies done by Japanese. Everyday customs, which would not have particularly interested Japanese, are minutely studied, and those features which would have been described as regional are treated as representative of typical village life in Japan.

Kurusu is a hamlet in Yasuhara Mura in the southeastern part of Kagawa Pref., and Matsunagi in Kusama Mura in the mid-northern part of Okayama Pref. Both have relatively little contact with the urban areas and retain much of the traditional pattern of community life. There are about 25 households in each, the majority of which are farm families. Matsunagi is a typical mountain community, and Kurusu a farming hamlet on a hill-side. Both are poorer than the rural villages on the plains of Japan which are more affected by urban influence, and were apparently chosen in order to study traditional rural modes of living. While the life in these communities may strongly exhibit traditional mores, would be erroneous to regard them as representative of the technical level of Japanese agriculture and the standard of living of Japanese rural society. This point should be brought to the attention of foreign readers.

Kurusu is described as a relatively prosperous community whose traditional mores have been relaxed through the influence of modernization. But Kurusu's average family cultivates about 5 *tan* (1.225 acres), and its annual income amounts only to ¥140,000, which is much lower than the average in Japanese rural villages. Thus, Kurusu cannot be regarded as a prosperous community. If Kurusu appeared so to the author, it is probably because these farmers earned income from other sources than agriculture.

The economic study of Matsunagi also seems insufficient. A mountain community like Matsunagi, where the average family cultivates only about 7 *tan* of which water paddies comprise a very small part, must necessarily be poor. Matsunagi is a poor village, even by Japanese rural standards. The poverty of the community seems to be one reason why it has retained its traditional mores.

The customs in the life of these communities are described vividly with concrete examples. Of the two, the Matsunagi study is better arranged than that on Kurusu. The traditional mores of a Japanese village community consist of four social

relations—mainly between households; the blood relation, the neighborhood relation, the tenant-owner relation, and the functional social relation. These four relationships overlapping in the narrow confines of a village community create the customs of the community. Which of the four should be regarded as most important has been a central problem for Japanese rural sociologists, and it has been a criterion for village classification. The Kurusu study does not give sufficient attention to this point, but the material on Matsunagi covers it more adequately. The tenant-owner relations have disappeared since the land reform, and blood relations have been weakened as the geographical limit of marriage has been expanded, consequently, neighborhood and functional relations are the principal social ties in the postwar period.

The study of Matsunagi clearly analyses postwar conditions. The neighborhood relations in mountain communities in Japan strongly tend toward a boss-henchmen relations, but the people in Matsunagi are described as more equalitarian. If the authors had explained this more adequately, they would have increased the study's fine quality. (K. Baba)

### Japanese Economics:

*A Guide to Japanese Reference and Research Materials.*

by Charles F. Remer and Saburo Kawai.

University of Michigan Press, 1956 pp. xi, 91.

This is the fifth in the University of Michigan Center for Japanese Studies Bibliographical Series, with 1,191 reference books and studies arranged under 17 chapters. The authors' preface, the introductions to each chapter, and the notes on each reference provide extremely skilful explanations. The careful selection of these references, from a mountain of materials covering Japan's long history makes the bibliography seem like a map describing only the ridges of mountains. The present bibliography concentrates on basic materials about the economic history of Japan and the works of relatively well-known scholars.

Scholars in Japan put forth more effort than scholars in other countries to introduce both standard works and the latest developments in theoretical economics abroad. If foreign readers are aware of this fact when reading this bibliography, they would be able to get a fair idea of the whole scope of activity among Japanese economists.

Japanese economists are preoccupied with long-term and institutional changes in Japan's economic history. In this respect the authors hold that they have been greatly influenced by the German Historical School and Marxism. The authors went so far as dealing with a controversy between the two schools of Marxian scholars (the Rono and Koza schools) concerning the possible advent of a socialist revolution in Japan (Economic History 6 in Chapter VI). This shows a new horizon which has been little studied by foreign scholars. The authors express the hope that Japanese scholars will contribute more to the analysis and theory of economic growth. It would interest us a great deal if the authors could have introduced young Japanese economists' work in this field after World War II, which evidently has not yet been introduced in the United States.

Probably because the bibliography is based only on materials available in the United States, it errs on the side of shortage in the field of official reports and the latest literature. There are a few mistakes in the difficult task of romanizing Japanese names (for example: no. 547 Shionoya Tsuzuru should read Shionoya Tsukumo). These minor shortcomings, however, do not detract from the high quality of this pioneer work. (K.U.)

1. Business Indices

Year & Month	Treasury Accounts with the Public	Bank of Japan Account (1) (In 100 million yen)			Postal Savings (2)	Monthly Report of All Banks (1) (In 100 million yen)		Tokyo Stock Prices (3)			
	(Fiscal year) (In 100 mil- lion yen)	Note issues	Loans	National Bond Holdings	(In 100 million yen)	Deposits	Advances	Dow Jones Averages (yen)	Simple Arithmetic Average (yen)	Turnovers (In thousand issues)	Interest Yield (%)
1947 av.....	(-) 592	2,191	323	2,133	585	2,343	1,682	—	—	60,000	—
1948 „.....	(-) 213	3,552	519	2,177	805	5,052	3,813	—	—	142,000	—
1949 „.....	808	3,553	886	1,889	1,220	7,920	6,790	149.95	128.66	255,934	6.77
1950 „.....	(-) 419	4,220	1,145	1,367	1,547	10,485	9,947	101.87	74.01	512,110	9.53
1951 „.....	346	5,063	2,230	1,263	2,008	15,063	15,178	136.10	93.80	821,259	11.91
1952 „.....	24	5,764	2,232	2,861	2,667	22,238	21,280	245.67	124.08	2,002,637	9.85
1953 „.....	951	6,298	2,987	3,143	3,465	27,076	26,712	390.90	156.05	2,091,539	7.44
1954 „.....	(-) 1,900	6,220	2,433	4,835	4,452	30,366	29,119	340.79	110.94	1,238,495	9.44
1955 „.....	(-) 2,766	6,738	319	5,536	5,263	37,243	31,958	374.00	108.17	2,505,298	7.96
1955											
April.....	(-) 716	5,505	2,051	4,297	4,446	31,394	29,237	351.39	97.00	99,146	8.86
May.....	249	5,222	2,049	4,083	4,503	31,956	29,372	349.83	96.49	104,623	8.49
June.....	(-) 13	5,326	2,118	3,741	4,574	32,187	29,594	354.47	102.22	142,147	8.35
July.....	(-) 361	5,378	1,844	3,844	4,720	32,572	29,862	355.56	105.29	145,212	8.02
August.....	(-) 205	5,408	1,644	4,133	4,767	33,040	29,992	377.48	111.85	261,722	7.52
September.....	(-) 70	5,298	1,434	3,932	4,794	34,627	30,301	386.16	113.88	220,764	7.60
October.....	(-) 867	5,493	830	4,611	4,876	34,257	30,360	401.47	116.60	314,075	7.15
November.....	(-) 165	5,593	642	4,481	4,891	35,294	30,848	401.53	116.46	290,766	7.35
December.....	(-) 1,792	6,738	319	5,536	5,008	37,243	31,958	409.81	117.41	383,950	6.92
1956											
January.....	703	5,828	281	4,832	5,264	36,498	31,602	426.40	121.83	357,261	6.92
February.....	202	5,685	209	4,649	5,297	36,837	31,817	429.71	122.58	387,126	6.61
March.....	269	5,747	273	5,613	5,263	38,929	32,584	444.29	125.86	490,995	6.53
April.....	(-) 558	5,847	184	5,207	5,283	38,475	32,397	471.86	130.27	712,131	6.45
May.....	454	5,614	229	5,083	5,356	39,378	32,902	480.56	132.29	608,890	6.38
June.....	198	5,969	629	4,552	5,491	40,635	34,062	502.21	137.32	715,739	6.33
July.....	(-) 4	5,975	625	4,639	5,669	40,882	34,822	496.80	132.44	417,094	6.51
August.....	398	5,924	926	4,288	5,742	..	..	502.03	..	408,200	6.69
Ag. Previous Month (%).....	—	(-) 0.9	(+) 48.2	—	—	(+) 0.6	(+) 2.4	(+) 1.1	—	(-) 2.1	(+) 2.8
Ag. Corr. Month in 1955 (%)....	—	(+) 9.5	(-) 43.7	—	—	(+) 25.5	(+) 16.6	(+) 41.2	—	(+) 181.1	(-) 16.6
Year & Month	Tokyo Wholesale Price Indices (1) Total Average		Tokyo Retail Price Indices (1)	Export & Import Price Indices (1) (July, 1949-June, 1950=100)		Cost of Living Tokyo (4) (Oct., 1946=100)	Consumer Price Indices (1951=100) (5)		Average Monthly Expenditure Per Household (5)		
	1952=100	1934-1936 =100	July, 1914=100	Exports	Imports		Tokyo	All Cities	All Cities (yen)	Tokyo (yen)	
1947 av.....	—	4,815.2	7,811.5	—	—	236.1	42.7	38.2	4,684	5,469	
1948 „.....	—	12,792.6	22,912.6	—	—	472.9	74.0	69.9	8,780	10,606	
1949 „.....	—	20,876.4	37,283.7	—	—	607.9	92.7	92.2	11,885	14,092	
1950 „.....	—	24,680.7	36,628.7	115.6	107.8	541.1	86.1	85.9	11,980	14,134	
1951 „.....	—	34,253.1	47,411.9	165.5	136.3	637.4	100.0	100.0	14,410	16,138	
1952 „.....	100.0	34,921.5	46,138.0	134.9	122.1	681.9	104.2	105.0	17,862	19,741	
1953 „.....	100.4	35,157.3	47,450.1	127.9	110.1	782.1	112.0	111.9	22,113	25,133	
1954 „.....	99.7	34,969.0	50,400.9	123.0	105.7	850.2	118.1	119.1	22,678	26,517	
1955 „.....	97.9	34,301.9	49,296.8	123.5	106.6	874.7	116.4	117.8	23,211	27,579	
1955											
August.....	97.5	34,158.8	48,515.2	124.0	107.4	833.6	116.3	117.8	22,401	25,256	
September.....	97.7	34,228.9	48,555.1	123.8	105.6	832.9	115.6	117.4	21,905	25,910	
October.....	98.0	34,334.0	48,382.9	123.3	104.9	829.7	117.5	119.0	23,233	27,641	
November.....	97.8	34,263.9	48,053.6	125.4	106.2	832.1	115.5	115.9	23,149	28,293	
December.....	97.9	34,299.0	48,190.6	126.1	105.6	832.9	115.2	115.7	34,864	41,267	
1956											
January.....	98.6	34,539.6	47,865.6	127.1	106.1	839.1	115.5	116.4	21,886	26,112	
February.....	99.3	34,789.5	48,140.4	127.5	105.2	835.2	116.8	117.4	21,025	25,035	
March.....	99.6	34,894.6	48,883.2	128.1	103.7	835.2	118.1	118.5	23,357	29,878	
April.....	100.2	35,104.8	48,945.0	127.8	103.8	838.3	118.4	119.1	23,256	28,463	
May.....	101.3	35,490.2	48,620.1	128.9	104.4	830.5	116.6	118.1	22,534	27,507	
June.....	101.4	35,525.2	48,456.7	128.4	104.4	836.8	118.7	118.8	..	26,563	
July.....	101.6	35,595.3	48,389.2	127.9	104.0	838.3	115.0	117.2	..	..	
August.....	102.8	36,015.7	49,485.4	..	..	832.9	116.5	..	..	..	
September.....	..	..	..	..	..	821.1	..	..	..	..	
Ag. Previous Month (%).....	(+) 1.2	(+) 1.2	(+) 2.3	(-) 0.4	(-) 0.4	(-) 1.4	(+) 1.3	(-) 1.3	—	—	
Ag. Corr. Month in 1955 (%)....	(+) 5.4	(+) 5.4	(+) 2.0	(+) 3.6	(-) 3.0	(-) 1.4	(+) 0.2	(+) 0.2	—	—	

Sources: (1) Bank of Japan.  
(2) Ministry of Postal Services.  
(3) Tokyo Securities Exchange.  
(4) The Oriental Economist.  
(5) Statistics Bureau, Prime Minister's Office.

Note: ^ Revised at source.

## 2. Business Indices

Year & Month	Consumption Level (1) (1934-1936=100)			(2) Manufacturing Industry Wages (1934-6=100)		(2) Employ- ment Indices for Mfg. Industries (1947=100)	No. of Employed (in 10,000) (3)	No. of Un- employed (in 10,000) (3)	E.P.B. Indices (1934-6=100) (1)			
	Total	Urban	Non- Urban	Nomi- nal	Real				Business Activity Indices	Mining Manu- fac- turing	Manufacturing	
											Dur- able	Non- durable
1947.....	—	55.4	—	1,580	32.0	100.0	..	..	46.2	37.4	44.9	26.6
1948.....	—	61.2	—	4,381	48.6	101.0	3,460	24	61.8	54.6	74.7	35.1
1949.....	—	65.0	—	7,516	66.3	102.0	3,606	38	76.7	71.0	99.8	47.0
1950.....	—	69.8	—	9,135	85.4	97.1	3,572	44	88.0	83.6	110.0	66.7
1951.....	—	68.9	—	11,708	92.1	104.5	3,622	39	119.4	114.4	164.3	89.2
1952.....	94.8	80.2	116.6	13,516	102.3	107.7	3,788	47	131.8	126.4	171.8	104.5
1953.....	105.6	94.0	123.0	15,322	107.3	112.7	3,925	45	161.2	155.1	209.9	131.8
1954.....	111.0	100.0	127.5	16,307	108.0	118.2	3,958	58	173.5	166.9	213.2	150.3
1955.....	115.1	106.5	128.1	16,759	114.5	116.6	4,117	68	187.9	180.7	222.2	168.3
1955												
July.....	115.5	118.9	110.4	19,973	135.7	117.0	4,243	72	188.4	181.5	216.2	172.4
August .....	108.7	95.7	128.2	15,599	108.9	116.8	4,148	71	190.3	183.7	221.7	173.8
September .....	108.8	102.4	118.4	14,983	106.4	116.7	4,197	67	194.7	187.8	226.6	177.2
October .....	113.1	104.7	125.7	15,036	104.7	116.6	4,339	72	193.2	185.8	234.5	169.5
November .....	120.2	111.0	133.9	15,541	110.7	116.6	4,261	57	197.2	189.7	240.0	172.9
December .....	175.4	167.3	187.5	27,784	185.8	116.6	4,141	57	207.1	199.1	247.2	184.4
1956												
January .....	117.0	102.3	139.0	15,914	111.1	116.2	3,885	68	189.4	181.6	227.4	166.5
February.....	116.8	101.0	140.4	15,598	109.9	116.2	3,883	75	198.6	191.0	244.0	173.3
March.....	116.7	104.4	135.1	15,478	107.4	117.7	4,085	106	208.1	200.1	266.3	181.6
April .....	116.5	106.1	132.2	15,925	110.5	121.7	4,242	70	219.4	211.2	274.3	192.1
May.....	105.4	99.8	113.7	15,623	107.6	121.9	4,399	62	220.4	212.2	272.1	193.8
June.....	..	105.8	..	20,435	134.6	122.1	4,440	57	223.3	215.4	277.3	198.4
July .....	..	..	..	..	..	..	..	..	230.6	222.5	..	..
Ag. Previous Month (%).....	(↔) 9.5	(↔) 6.0	(↔) 14.0	(↔) 30.8	(↔) 25.1	(↔) 0.2	(↔) 0.9	(↔) 8.1	(↔) 3.3	(↔) 3.3	(↔) 1.9	(↔) 2.4
Ag. Corr. Month in 1955 (%) .....	(↔) 0.6	(↔) 4.5	(↔) 7.5	(↔) 20.1	(↔) 15.2	(↔) 4.4	(↔) 3.2	(↔) 16.2	(↔) 22.4	(↔) 22.6	(↔) 26.6	(↔) 18.8

Year & Month	Manufacturing Ind. Total (1950=100)		Pro- ducer's Stock Indices Mining Manu- facturing Total (4)	Seller's Stock Indices (4)	Car- loadings Indices (5)	Depart- ment Store Sales (4)	Foreign Trade (6) (In \$1,000)			Foreign Trade Volume Indices (1934-6=100) (6)		Foreign Exchange (7) (\$ 1,000)			
	Piled-up Materials Indices (4)	Piled-up Im- ported Materials Indices (4)					Exports	Imports	Balance	Exports	Imports	Received	Paid	Balance	
		1950=100	1950=100	1941=100											
1947.....	—	—	—	—	72.1	1,188.6	173,568	526,130	△ 352,562	—	—	—	—	—	
1948.....	—	—	—	—	82.3	3,036.1	258,271	684,220	△ 425,949	—	—	—	—	—	
1949.....	—	—	—	—	86.9	5,499.8	509,700	904,845	△ 395,145	—	—	—	—	—	
1950.....	100.0	100.0	100.0	100.0	87.4	7,690.2	820,055	974,339	△ 154,284	78.1	45.0	1,008,310	677,207	331,102	
1951.....	130.4	136.5	98.7	83.4	106.2	11,943.3	1,354,520	1,995,039	△ 640,520	87.1	66.8	2,240,580	1,909,277	331,303	
1952.....	140.7	145.4	121.3	85.5	103.3	15,108.9	1,272,915	2,028,193	△ 755,278	92.4	73.6	2,239,127	1,924,815	314,312	
1953.....	164.7	164.7	120.2	96.1	105.7	19,818.1	1,274,843	2,409,638	△ 1,134,795	100.0	100.0	2,120,037	2,313,716	△ 193,679	
1954.....	172.6	165.7	155.5	109.2	105.6	22,193.7	1,629,336	2,399,404	△ 770,168	133.3	103.6	2,309,264	2,209,296	99,967	
1955.....	188.1	155.3	144.4	114.1	105.9	23,668.9	2,010,600	2,471,430	△ 460,831	174.1	108.9	2,667,645	2,173,846	493,798	
1955															
July.....	..	..	..	114.3	105.4	25,837.9	159,980	203,770	△ 43,790	166.1	109.6	223,334	178,575	44,758	
August .....	..	..	..	126.7	107.9	19,050.5	175,985	206,848	△ 30,863	182.8	114.0	234,989	187,006	47,983	
September ..	199.7	158.1	141.8	123.2	110.5	16,660.5	176,246	180,389	△ 4,142	185.1	94.7	257,685	175,727	81,958	
October ....	197.0	154.3	140.0	121.7	109.7	23,237.0	188,903	201,597	△ 12,694	195.8	104.8	240,394	171,734	68,660	
November ..	200.0	158.1	138.5	117.3	111.6	26,135.9	168,303	223,988	△ 55,685	174.4	117.4	236,594	187,899	48,694	
December ..	210.7	161.4	131.7	112.1	109.2	54,881.1	249,180	233,344	15,835	250.9	123.0	268,769	207,508	61,263	
1956															
January ....	189.8	160.7	133.9	113.7	107.8	19,503.4	149,781	218,555	△ 68,774	153.2	115.6	238,341	208,812	29,528	
February....	204.1	157.5	133.1	112.5	113.3	19,444.2	185,704	220,380	△ 34,676	191.1	115.9	254,216	210,348	43,868	
March.....	216.6	161.1	126.9	113.8	101.9	27,180.0	223,874	253,365	△ 29,492	222.4	133.6	256,733	206,487	50,246	
April.....	217.3	169.6	127.5	115.6	109.7	26,251.0	195,255	255,262	△ 60,006	201.4	133.5	275,650	223,647	52,002	
May.....	220.9	181.5	130.4	123.8	111.2	23,580.9	194,961	271,747	△ 76,786	195.1	142.4	245,458	217,004	28,454	
June.....	220.1	195.5	135.0	126.0	115.4	24,226.7	210,742	280,403	△ 69,661	210.9	144.6	295,161	253,225	41,935	
July .....	227.0	198.6	136.9	..	116.5	..	197,783	276,447	△ 78,624	196.3	142.6	274,458	286,426	(↔) 11,968	
Ag. Previous Month (%).....	(↔) 3.1	(↔) 1.6	(↔) 1.4	(↔) 1.8	(↔) 1.0	(↔) 2.7	—	—	—	(↔) 6.9	(↔) 1.4	(↔) 7.0	(↔) 13.1	—	
Ag. Corr. Month in 1955 (%) .....	(↔) 24.7	(↔) 21.3	(↔) 12.4	(↔) 14.5	(↔) 10.5	(↔) 23.1	—	—	—	(↔) 18.2	(↔) 30.1	(↔) 22.9	(↔) 60.4	—	

Notes: △ in Foreign Trade means excess in export, while △ in Foreign Exchange means excess in payment. \* Revised at source.

Sources: (1) Economic Planning Board (2) Ministry of Labor (3) Statistics Bureau, Prime Minister's Office (4) MITI (5) Ministry of Transportation (6) Ministry of Finance (7) Bank of Japan.

3. Treasury Accounts with the Public

(In ¥100,000,000)

(Ministry of Finance.)

Items	Fiscal 1955				Fiscal 1956						1955
	July- Sept.	Oct.- Dec.	1956 Jan.-Mar.	Total	Apr.	May	June	Apr.- June	July	August	August
General Account											
Revenue											
Taxes .....	1,925	1,927	2,078	7,733	536	562	898	1,996	740	776	690
Monopoly .....	244	126	258	964	94	124	117	335	69	130	129
Others .....	72	108	98	378	70	65	29	164	22	45	24
Total .....	2,241	2,161	2,429	9,075	700	751	1,044	2,495	831	951	843
Expenditure											
Defense Expenditure .....	150	144	125	601	92	18	7	117	83	14	29
Defense Board .....	131	218	180	688	154	49	62	265	53	57	43
Public Works Expenditure .....	319	373	259	1,316	180	93	60	333	66	96	161
Local Finance Equalization Grants ..	386	529	252	1,825	374	0	374	748	36	223	203
Compulsory Education Expenditure ..	160	229	170	742	40	139	—	179	121	45	0
Others .....	706	987	746	3,288	456	236	267	959	226	247	225
Total .....	1,852	2,480	1,732	8,460	1,296	535	770	2,601	585	682	661
Balance .....	389	△ 319	697	615	△ 596	216	274	△ 106	246	269	182
Special Accounts and Others											
Foodstuff Control .....	△ 582	△ 1,450	331	△ 1,068	384	238	△ 43	579	△ 300	△ 7	△ 343
Trust Fund Bureau .....	6	△ 188	113	△ 305	△ 66	△ 113	△ 12	△ 200	△ 68	△ 3	13
Industrial Investment .....	31	△ 27	△ 30	△ 22	—	20	8	28	△ 17	—	0
National Railways and Nippon Tele- graph & Tel. Public Corporation ..	39	△ 95	169	136	42	132	△ 24	150	△ 34	34	52
Finance Corporation .....	△ 81	△ 245	△ 200	△ 624	△ 50	△ 50	△ 56	△ 156	△ 53	△ 49	△ 28
Others .....	125	△ 135	313	108	△ 147	88	125	△ 11	74	160	87
Total .....	△ 462	△ 2,140	696	△ 1,775	136	265	△ 11	390	△ 398	135	△ 219
Designated Deposits .....	—	—	—	—	—	—	—	—	—	—	—
Adjustment Items .....	△ 51	160	129	93	45	△ 42	△ 98	△ 95	51	△ 12	△ 50
Foreign Exchange .....	△ 513	△ 525	△ 348	△ 1,699	△ 143	15	33	△ 95	97	6	△ 118
Balance .....	△ 636	△ 2,824	1,174	△ 2,766	△ 558	454	198	94	△ 4	△ 398	△ 205

4. Monthly Report of All Banks

(June, 1956: Excluding Bank of Japan)

(In million yen)

(Bank of Japan)

	All Banks						Trust Account (17)
	Debenture Issuing Banks (2)	City Banks (13)	Local Banks (65)	Trust Banks (6)	Total (86)	Leftover from Pre. mo.	
Deposits							
Current Deposits .....	16,644	602,623	120,254	36,180	775,703	736,397	—
Ordinary Deposits .....	6,331	499,675	304,272	15,267	825,546	812,606	—
Deposits at Notice .....	18,957	193,459	41,659	19,209	273,285	252,298	—
Time Deposits .....	11,127	1,094,343	616,924	29,065	1,751,461	1,705,142	—
Special Deposits .....	2,207	125,391	31,860	5,273	164,732	179,127	—
Instalment Savings .....	—	34,929	92,828	221	127,980	128,034	—
Deposits for Tax Payment .....	163	5,089	2,547	347	8,148	7,390	—
Deposits of Gov't and Gov't Agencies ...	1,980	134,132	—	—	136,112	116,297	*164,040
Other Deposits .....	—	610	—	—	610	571	**143,717
Total .....	57,411	2,690,255	1,210,347	105,565	4,063,580	3,937,865	—
Borrowed Money .....	1,214	96,799	978	538	99,529	64,036	—
Borrowings for Settlement of Import Bills ..	—	17,383	—	—	17,383	948	—
Call Money .....	870	74,439	6,950	3,725	88,213	94,529	—
Cash and Deposits							
Cash in Hand .....	13,950	461,051	73,231	21,370	569,604	525,453	1,897
Deposits with Domestic Money Organs ...	256	7,147	20,249	1,947	29,600	31,122	10,599
Total .....	14,206	468,198	93,480	23,317	699,204	556,575	12,496
Call Loans .....	4,214	13,756	28,879	3,725	50,574	58,552	23,797
Securities							
Government Bonds .....	2,916	35,262	13,423	718	52,320	67,529	201
Local Government Bonds .....	2,010	24,587	19,468	310	46,377	44,610	940
Foreign Bonds .....	184	4,187	—	—	4,371	2,358	9
Corporate Debentures .....	10,957	220,256	172,834	5,504	409,552	405,357	3,460
Stocks .....	8,670	47,715	19,007	2,962	78,356	73,987	2,175
Other Bonds .....	153	272	1,411	356	2,194	2,168	19
Total .....	24,892	332,281	226,145	9,853	593,172	596,012	6,808
Advance							
Discount Bills .....	12,579	787,793	269,930	58,074	1,128,378	1,097,600	23,838
Bank Acceptance Bills .....	—	738	9,979	175	10,892	13,241	—
Commercial Bills .....	12,579	785,885	258,773	57,893	1,115,131	1,081,629	—
Documentary Bills .....	—	1,170	1,177	6	2,354	2,729	—
Advances against Guarantee .....	324,901	1,173,962	688,100	32,322	2,219,286	2,139,026	250,411
Loans on Bills .....	58,445	1,126,886	640,955	31,648	1,857,934	1,789,586	96,731
Loans on Deeds .....	266,358	17,199	36,478	363	320,400	318,719	46,821
Overdrafts .....	97	29,876	10,667	309	40,950	35,720	—
Loans for Settlement of Import Bills .....	960	55,879	740	1,068	58,558	53,594	—
Total .....	338,441	2,017,545	958,771	91,465	3,406,224	3,290,221	274,250

Note: △ Means excess of payment. \* Money in trust total. \*\* Loan trust. △ Revised at source.

## 5. Bank of Japan Ten-day Report

(In million yen) (Bank of Japan)

	1956			1955
	Aug. 10	Aug. 20	Aug. 31	Aug. 31
<b>LIABILITIES</b>				
Bank Notes Issued ....	565,861	573,648	592,453	540,848
Bankers' Deposits ....	6,686	8,191	7,569	2,043
Government Deposits ....	50,163	54,313	49,174	69,412
Other Deposits ....	28,090	28,327	25,127	44,829
Inter-Bank Remittance Deposits .....	—	—	—	20,700
Reserves Against Contingencies ....	26,908	26,908	26,908	24,047
Other Liabilities .....	26,453	26,189	26,961	47,514
Capital Stock .....	100	100	100	100
Reserve Funds .....	14,286	14,286	14,286	11,970
<b>Total .....</b>	<b>728,550</b>	<b>741,965</b>	<b>752,581</b>	<b>761,466</b>
<b>ASSETS</b>				
Bullion .....	447	447	447	447
Cash .....	3,617	3,457	3,500	5,327
Discounted Bills ....	14,022	15,954	16,403	49,747
Loans .....	52,670	68,953	76,269	114,669
Foreign Exchange Loans	7,212	7,186	6,419	17,138
Advances to Government	—	—	—	1,250
Government Bonds ....	431,082	427,556	428,876	413,333
Foreign Ex. Accounts ..	177,607	177,715	177,792	95,400
Inter-Bank Remittance ..	—	—	—	20,262
Agencies Accounts ....	9,726	9,404	10,527	10,807
Other Assets .....	32,153	31,289	32,344	32,482
<b>Total .....</b>	<b>728,550</b>	<b>741,965</b>	<b>752,581</b>	<b>761,466</b>

## 6. Outstanding Loans to Industries by All Banks

(In million yen)

(Bank of Japan)

End of Month	May 1956			June 1956		
	Loans Total	For Equip- ments	For Co. with less ¥100 Billion	Loans Total	For Equip- ments	For Co. with less ¥100 Billion
Manufacturing total .....	1,537,996	128,168	472,685	1,592,708	133,596	491,302
Foodstuffs .....	162,811	6,900	86,098	167,101	7,196	87,232
Textiles .....	339,579	20,402	124,959	358,765	22,135	123,093
Wood and Wood Products	62,529	1,238	52,613	63,391	1,259	53,630
Paper & Related Products	87,207	9,025	15,738	89,098	9,402	16,929
Printing & Publishing ..	32,461	3,736	12,187	33,316	3,761	12,456
Chemicals .....	180,873	20,476	28,115	186,588	21,524	28,943
Glass & Ceramics .....	51,316	9,745	12,304	52,285	10,000	12,546
Primary Metals .....	214,395	31,776	22,149	216,198	31,974	22,931
Machinery .....	70,178	2,887	30,882	73,856	3,186	32,822
Electric Machinery & Tools	99,266	8,202	13,071	106,353	8,464	13,763
Trans. Machinery & Tools	104,484	7,318	15,032	104,661	7,686	15,908
Agriculture .....	12,235	453	11,538	12,221	455	11,871
Forestry & Hunting .....	8,765	49	7,508	8,684	47	7,418
Fishery .....	43,727	12,508	16,780	46,269	13,972	16,867
Mining .....	89,028	18,005	12,067	89,794	17,624	12,316
Metal Mining .....	17,444	4,579	793	17,896	4,509	680
Coal Mining .....	62,841	11,774	8,788	62,989	11,262	9,059
Construction .....	66,276	630	29,916	69,214	755	30,705
Wholesale & Retail .....	1,003,006	7,898	536,410	1,041,997	8,913	553,634
Wholesale .....	912,697	4,315	470,469	948,507	4,699	485,569
Retail .....	90,309	3,582	65,941	93,490	4,219	68,115
Finance Insurance .....	49,710	75	9,290	51,451	77	9,908
Real Estate .....	16,532	6,548	7,490	17,716	7,082	7,843
Trans. & Public Utilities..	268,096	193,519	17,759	278,458	199,609	18,299
Railways .....	21,403	11,563	191	22,627	11,884	206
Shipping .....	87,109	61,722	5,966	90,372	63,499	6,075
Electric .....	103,951	102,738	31	107,790	106,156	31
Services .....	54,380	12,346	39,403	57,258	13,283	41,276
Local Public Corporation..	67,577	20,135	—	60,989	19,786	—
Others .....	37,166	1,555	36,959	38,507	1,706	38,299
<b>Total .....</b>	<b>3,254,500</b>	<b>401,894</b>	<b>1,198,209</b>	<b>3,365,272</b>	<b>416,916</b>	<b>1,239,792</b>

## 7. Bank of Japan Official Interest Rates

(In sen per diem per ¥100)\*\*

Revised on	Commer- cial Bills	Against Gov't Bonds *	Advance Against Securi- ties other than Gov't Bonds	Over- draft	Year & Month
1932: Aug. 18	1.2	1.3	1.4	1.6	1955:
1933: July 3	1.0	1.1	1.2	1.4	Dec. ....
1936: Apr. 7	0.9	1.0	1.1	1.3	1956:
1937: July 15	0.9	0.9	1.1	1.2	Jan. ....
Sept. 21	0.9	0.9	1.1	1.1	Feb. ....
1946: Apr. 9	0.9	1.0	1.1	1.3	Mar. ....
Oct. 14	1.0	1.1	1.2	1.4	Apr. ....
1948: Apr. 25	1.2	1.3	1.4	1.7	May ....
July 5	1.4	1.5	1.6	1.9	June ....
1949: Apr. 1	△ 1.4	1.5	1.6	1.9	July ....
June 2	1.4	1.5	1.6	1.9	1955:
1951: Oct. 1	1.6	1.7	1.8	2.1	July ....
1955: Aug. 10	2.0	2.1	2.2	2.3	

## 8. Interest Rates for Advances by Member Banks

(In sen per diem per ¥100)

(Tokyo Banking Assoc.)

Revised on	Commer- cial Bills	Against Gov't Bonds *	Advance Against Securi- ties other than Gov't Bonds	Over- draft	Year & Month	Loans on Deeds		Loans on Bills		Overdraft		Discount Bills	
						High	Low	High	Low	High	Low	High	Low
1932: Aug. 18	1.2	1.3	1.4	1.6	1955:								
1933: July 3	1.0	1.1	1.2	1.4	Dec. ....	3.30	2.60	3.20	1.80	3.00	2.00	3.20	2.00
1936: Apr. 7	0.9	1.0	1.1	1.3	1956:								
1937: July 15	0.9	0.9	1.1	1.2	Jan. ....	3.30	2.60	3.20	1.80	3.00	2.00	3.20	2.00
Sept. 21	0.9	0.9	1.1	1.1	Feb. ....	3.30	2.60	3.20	1.80	3.00	2.00	3.20	2.00
1946: Apr. 9	0.9	1.0	1.1	1.3	Mar. ....	3.20	2.60	3.20	1.80	3.00	2.00	3.20	2.00
Oct. 14	1.0	1.1	1.2	1.4	Apr. ....	3.20	2.60	3.20	1.80	3.00	2.00	3.20	2.00
1948: Apr. 25	1.2	1.3	1.4	1.7	May ....	3.20	2.40	3.10	1.80	3.00	△ 1.90	3.00	2.00
July 5	1.4	1.5	1.6	1.9	June ....	3.20	2.40	3.10	1.80	3.00	△ 1.90	3.00	1.90
1949: Apr. 1	△ 1.4	1.5	1.6	1.9	July ....	3.20	2.40	3.20	1.80	3.00	1.80	3.00	1.90
June 2	1.4	1.5	1.6	1.9	1955:								
1951: Oct. 1	1.6	1.7	1.8	2.1	July ....	3.30	2.50	3.30	1.80	3.00	2.00	3.30	2.00
1955: Aug. 10	2.0	2.1	2.2	2.3									

## 9. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo			Osaka		
	Rate		Balance at the End of the Month (million yen)	Rate		Balance at the End of the Month (million yen)
	Over- Night (sen)	Uncon- ditional (sen)		Over- Night (sen)	Uncon- ditional (sen)	
1956: Jan. ....	1.00	1.60	43,649	1.00	1.50	16,112
Feb. ....	1.00	1.40	59,316	1.00	1.50	23,571
Mar. ....	1.00	1.65	42,682	1.00	1.65	17,283
Apr. ....	1.00	1.30	56,953	1.00	1.40	24,046
May ....	1.00	1.55	△53,476	1.00	1.60	24,024
June ....	1.00	1.70	△47,234	1.00	1.70	19,392
July ....	..	..	53,665	..	..	20,382
Aug. ....	..	..	59,175	..	..	21,625

## 10. Interest Rates of City Bank Deposits

(In sen per diem per ¥100)

(Bank of Japan)

Enforced on	Time Deposits (%)			Current Depo- sits	Ordinary Depo- sits	Depo- sits at Call	Other Deposit	
	Three Months	Six Months	One Year					
1940: Feb.	A..	—	—	—	—	—	—	
	B..	—	3.4	—	—	—	—	
1944: July	..	—	3.3	—	0	0.5	0.6	
1947: June	..	3.3	3.5	3.6	0	0.5	0.6	
1948: Jan.	..	3.7	4.0	4.2	0	0.5	0.6	
	July	..	3.8	4.2	4.4	0	0.5	0.6
1949: Aug.	..	3.8	4.4	4.7	0	0.5	0.6	0.6
1951: Jan.	..	3.8	4.6	5.0	0	0.5	0.6	0.6
	May	..	3.8	5.0	5.5	0	0.5	0.6
	Sept.	..	4.0	5.0	6.0	0	0.6	0.7

Notes: △ includes foreign trade bills. \* includes stamp bills, foreign trade bills, etc. from Oct. 14, 1946; and from June 1949 includes financial and other preferential debentures. \*\*HOW TO COMPUTE PER DIEM INTEREST:—In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in use in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate multiply the latter by 365. For example, a diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

### 11. Bank Clearings

(In billion yen)

(Tokyo Clearing House)

### 12. Dishonored Bills

(In million yen)

(Tokyo Clearing House)

Year & Month	All Clearing Houses		Tokyo		Osaka		Of which, Transactions with Bank Suspended							
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	Tokyo		Osaka		All Clearing Houses		Tokyo	
	(1,000)		(1,000)		(1,000)		No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
1955: Dec. ..	15,064	3,643	5,939	1,701	3,035	819	48	3,696	36	2,281	7,009	469	2,155	178
1956: Jan. ..	9,120	2,556	3,641	1,167	1,764	608	34	2,437	25	1,932	5,554	309	1,625	108
Feb. ..	10,784	2,776	4,301	1,293	2,180	648	43	3,251	31	2,043	6,267	449	1,889	189
Mar. ..	11,791	3,286	4,738	1,501	2,377	790	48	3,649	34	2,750	6,877	453	2,257	161
Apr. ..	11,438	3,065	4,616	1,416	2,322	723	45	3,256	33	2,142	6,464	430	2,134	148
May ..	12,099	3,040	4,863	1,405	2,454	715	49	3,567	33	2,130	6,600	413	2,186	165
June ..	13,049	3,215	5,179	1,494	2,598	768	44	3,496	29	2,098	5,911	362	1,898	133
July ....	12,413	3,232	5,080	1,493	2,465	770	45	3,268	31	2,258	6,069	364	1,840	126
1955: July ....	10,462	2,516	4,255	1,174	2,065	583	40	3,537	29	2,334	6,584	439	2,043	164

### 13. Postal Savings & Postal Transfer Savings

(In million yen) (Ministry of Postal Services)

### 14. Average Yields of Debentures

(Industrial Bank of Japan)

End of Month	Postal Savings			Postal Transfer Savings	Total	Month	Gov't Bonds	Financial Debenture		Industrial Debenture
	Receipts	Pay-ments	Balance					Interest Bearing	Discount	
1956: Feb. ..	43,709	40,331	529,782	5,849	535,631	1955: Dec. ..	6.342	7.918	6.643	8.297
Mar. ..	42,636	46,090	526,334	6,046	532,380					
Apr. ..	50,452	48,757	528,029	5,325	533,354	1956: Jan. ..	—	7.918	6.643	8.256
May ..	53,800	46,191	535,639	5,789	541,428	Feb. ..	6.362	7.918	6.643	8.247
June ..	52,269	38,744	549,165	5,316	554,481	Mar. ..	6.324	7.918	6.643	8.299
July ..	58,515	39,132	566,961	8,953	575,914	Apr. ..	6.331	7.411	6.224	7.701
Aug. ..	47,863	40,565	574,259	8,215	582,474	May ..	—	7.411	6.224	7.645
1955: Aug. ..	41,112	36,388	476,731	5,950	482,681	June ..	6.324	7.411	6.224	7.643
						July ....	—	7.411	6.224	—

### 15. Tokyo Wholesale Price Indices

(1952 as 100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Other Foodstuffs	Textiles	Fuels	Metal & Machinery	Building Materials	Chemical Products	Sundries	By Uses		
										Pro-ducer's Goods	Capital Goods	Con-sumer's Goods
1955 Average .....	97.9	119.5	100.3	86.3	100.9	91.8	113.7	82.8	93.5	95.1	101.3	101.6
1956: May .....	101.3	117.1	97.8	91.4	102.3	106.1	116.3	86.8	91.3	103.1	111.3	99.0
June .....	101.4	116.7	97.9	89.3	102.4	107.6	118.7	86.7	91.2	103.4	112.9	98.7
July .....	101.5	116.0	97.7	86.2	102.9	109.6	121.9	86.5	92.6	103.8	115.1	98.5
August .....	102.8	104.1		85.0	103.4	113.5	128.5	86.0	92.7	105.8	119.4	98.7
1955: August .....	97.5	119.3	99.9	87.3	98.5	91.1	112.3	82.6	94.0	94.8	100.3	101.0

### 16. Tokyo Wholesale Price Indices

(1934-36=100)

(Bank of Japan)

Year & Month	Average	Agricultural Products	Other Foodstuffs	Textiles	Fuel	Metals & Machinery	Building Materials	Chemical Products	Miscellaneous
1954 Average .....	34,929.6	34,794.9	32,807.0	37,446.9	31,031.0	32,259.6	43,844.6	25,980.3	24,751.9
1955 " .....	34,293.1	34,729.5	31,967.5	35,551.3	32,356.2	33,240.5	40,424.1	25,208.6	24,600.6
1956: March .....	34,894.6	33,806.5	30,827.8	35,644.1	33,601.3	37,342.4	40,477.4	26,348.3	24,024.4
April .....	35,104.8	34,242.6	30,987.2	36,468.2	32,415.0	37,958.1	40,762.0	26,409.3	23,837.6
May .....	35,940.2	34,039.1	31,178.4	37,663.2	32,863.9	38,429.0	41,366.6	26,439.7	24,021.8
June .....	35,525.2	33,922.8	31,210.3	36,797.9	32,831.8	38,972.3	42,220.3	26,409.3	23,985.4
July .....	35,560.2	33,719.3	31,146.6	35,520.4	32,992.1	39,696.7	43,358.5	26,348.3	24,337.5
August .....	36,015.7	32,878.7		35,026.0	33,152.4	41,109.2	45,706.0	26,196.0	24,930.1
1955: August .....	34,158.8	34,678.6	31,847.9	35,973.7	31,581.4	32,996.1	39,943.9	25,160.4	24,705.8

### 17. Tokyo Retail Price Indices

(July, 1914=100)

(Bank of Japan)

Year & Month	Average	Food	Fuel & Lighting	Clothing	Others
1955: Average .....	49,305.9	61,191	60,189	32,757	42,009
1956: March .....	48,883.2	60,005	60,821	31,963	42,622
April .....	48,945.0	60,171	60,405	31,595	42,906
May .....	48,620.1	58,506	60,633	32,769	43,299
June .....	48,456.7	57,911	60,172	32,906	43,570
July .....	48,389.2	57,664	60,172	32,905	43,684
August .....	49,485.4	59,566	60,172	32,683	44,752
1955: August .....	48,502.2	59,501	58,418	32,860	41,984

Note: ^ Provisional figures. \* Revised at source.

## 18. Weekly Wholesale Price Indices

(June 18-24, 1950=100)

(Economic Planning Board)

		Average	Food-stuffs	Textiles	Fuel	Metals	Machinery	Building Materials	Chemicals	Miscellaneous	Consumer Goods	Producer Goods
1956: July	7	160.4	135.3	95.7	163.7	291.8	184.6	215.0	105.4	133.0	133.3	175.2
	14	161.0	136.1	94.8	163.7	294.2	184.9	216.2	105.8	133.9	133.8	175.8
	21	162.2	139.3	93.6	163.7	298.1	184.8	217.6	105.7	134.1	136.0	176.5
	28	163.8	141.4	92.0	163.6	305.5	185.0	221.2	105.7	134.1	137.2	178.2
Aug.	4	162.9	135.9	90.5	163.6	309.2	185.0	223.1	105.4	134.7	133.4	178.9
	11	165.2	139.7	92.0	164.0	317.6	185.9	223.0	105.5	134.1	136.4	180.9
	18	166.3	141.7	91.7	164.8	321.2	185.9	224.1	105.4	133.8	137.9	181.8
	25	168.8	150.0	91.2	164.8	325.6	186.8	224.1	105.4	133.6	143.6	182.6
Sept.	1	169.2	149.6	91.2	164.6	328.0	187.0	224.4	106.3	133.6	143.3	183.3
	8	169.4	146.0	91.9	164.8	334.0	188.8	225.0	106.1	133.5	141.2	184.8

## 19. Commodity Quotations &amp; Turnovers

Year & Month	Tokyo Cotton Yarn (20, single, per lb.)							Osaka Cotton Yarn (20, single, per lb.)						
	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)
	High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month	
1956: January	185.0	176.0	185.0	176.9	162.9	174.0	77	194.0	175.1	194.0	173.7	155.9	173.6	569
February	192.4	184.1	186.0	179.9	172.5	175.2	78	194.5	185.6	194.5	177.9	172.0	174.5	605
March	198.1	185.8	195.5	184.9	172.0	184.9	91	208.6	186.9	199.9	184.9	172.0	184.0	691
April	217.0	192.8	217.0	205.2	181.3	205.2	77	210.0	192.9	210.0	204.9	182.1	204.9	746
May	222.6	198.5	206.5	210.0	178.3	181.9	100	219.3	194.9	200.0	208.5	177.0	179.7	719
June	212.9	192.6	212.9	190.0	178.9	181.5	59	204.4	189.1	201.9	184.2	175.1	179.0	506
July	201.0	182.7	182.7	180.9	164.5	164.5	83	196.9	173.1	174.5	179.9	163.1	163.1	750
August	192.2	175.0	182.4	177.5	166.1	174.5	92	186.0	168.5	180.0	170.8	163.1	168.5	334
Year & Month	Nagoya Spun Rayon Yarn (Viscose 120 D, per lb.)							Fukui Rayon Yarn (Viscose 120 D, per lb.)						
	Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100 mai)	Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100 mai)
	High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month	
1956: January	255.0	229.6	236.7	214.0	199.9	201.9	455	245.4	221.1	224.9	207.9	194.4	196.8	403
February	231.9	215.6	215.6	207.5	193.5	193.5	362	226.6	211.0	212.5	201.7	190.2	190.2	281
March	246.1	208.9	243.7	213.1	191.5	213.1	426	240.6	207.0	240.0	207.0	188.3	207.0	390
April	260.1	227.1	260.0	227.0	206.0	227.0	635	255.0	221.4	255.0	220.7	198.0	220.2	635
May	266.9	238.1	242.5	240.5	213.5	216.5	690	259.0	233.3	238.0	235.0	208.7	210.0	619
June	283.0	230.0	274.9	232.2	213.0	220.0	445	283.0	225.8	275.0	231.9	209.9	218.9	646
July	275.9	251.1	269.9	224.8	208.9	215.1	389	273.0	248.5	267.5	222.5	213.1	215.0	492
August	279.8	251.5	279.8	225.1	213.9	223.5	324	279.0	248.1	279.0	221.1	211.3	220.5	380
Year & Month	Nagoya Spun Rayon Yarn (30s bright, per lb.)							Osaka Spun Rayon Yarn (30s bright, per lb.)						
	Current Month (In yen)			Futures (6 Months) (In yen)			Turnover (In 100 mai)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)
	High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month	
1956: January	147.4	143.9	145.0	133.2	126.9	131.5	5	156.0	146.1	154.9	135.0	125.1	133.9	22
February	145.8	140.0	140.1	131.7	126.1	129.9	5	148.9	135.8	135.8	135.1	127.0	130.0	14
March	139.2	134.5	139.0	135.5	128.0	135.5	4	138.1	136.0	137.5	134.3	127.9	134.3	9
April	158.5	140.4	158.5	155.0	135.5	155.0	6	160.0	141.5	160.0	153.0	135.2	153.0	17
May	160.2	154.9	154.9	154.7	141.8	142.0	5	159.9	149.1	158.6	135.5	139.9	141.2	13
June	159.9	150.7	159.9	148.5	141.4	145.1	4	158.4	151.0	156.1	147.9	139.8	142.0	18
July	155.5	148.9	148.9	145.9	130.4	130.4	4	154.9	150.9	154.9	141.9	125.6	125.6	75
August	149.4	140.5	148.6	134.5	129.5	132.4	4	152.9	142.9	151.5	132.9	126.1	131.7	75
Year & Month	Yokohama Raw Silk (21 A, per kin)							Kobe Raw Silk (21 A, per kin)						
	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 hyo)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 hyo)
	High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month	
1956: January	1,969	1,504	1,904	1,980	1,944	1,944	34	1,990	1,939	1,939	1,975	1,910	1,910	15
February	1,924	1,900	1,900	1,958	1,932	1,944	35	1,926	1,900	1,900	1,953	1,929	1,947	15
March	1,919	1,894	1,896	1,970	1,942	1,964	31	1,925	1,900	1,900	1,970	1,947	1,968	13
April	2,013	1,911	1,992	2,079	1,968	2,079	61	2,021	1,925	2,013	2,064	1,969	2,060	20
May	2,154	2,029	2,071	2,120	2,055	2,071	66	2,152	2,031	2,031	2,124	2,053	2,075	24
June	2,108	2,051	2,066	2,112	2,060	2,067	48	2,101	2,040	2,079	2,119	2,062	2,072	13
July	2,059	1,926	1,941	2,072	1,986	2,000	65	2,065	1,940	1,942	2,075	1,996	2,000	22
August	1,990	1,889	1,887	2,019	1,960	1,985	50	1,998	1,895	1,895	2,019	1,965	1,986	19
Year & Month	Toyohashi Cocoon (High grade, per 100 momme)							Nagoya Woollen Yarn (48, double, A grade, per lb.)						
	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)	Current Month (In yen)			Futures (6 months) (In yen)			Turnover (In 100 mai)
	High	Low	End of Month	High	Low	End of Month		High	Low	End of Month	High	Low	End of Month	
1956: January	388	365	373	369	349	349	55	1,004	967	1,000	924	871	916	499
February	376	370	370	357	346	355	50	1,030	988	1,030	929	900	919	568
March	398	379	398	364	354	364	53	1,019	954	1,014	929	892	929	432
April	425	394	413	453	419	453	86	1,045	979	1,045	1,085	923	1,085	858
May	460	421	460	470	453	463	88	1,185	1,073	1,182	1,130	1,002	1,030	993
June	429	402	402	478	464	465	80	1,209	1,143	1,186	1,110	1,025	1,046	654
July	399	349	357	464	445	453	101	1,144	949	959	1,052	946	951	755
August	383	347	347	471	455	464	53	1,045	955	1,026	1,019	951	1,010	465

Note: mai=cotton yarn•400 lbs., rayon yarn & spun rayon yarn•200 lbs., woollen yarn•100 lbs., cocoon•10 kan (1 kan=8.267 lbs.), rubber•250 lbs., hyo=raw silk•99.2 lbs. kin=raw silk•160 momme.

## 20. Exports and Imports by Value and Indices

(1934-36=100 for indices)

Year & Month	Value (In \$1,000)			Value (In million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1954 Total .....	1,629,236	2,399,404	↔ 770,168	586,525	863,785	↔ 277,260
1955 Total .....	2,010,600	2,471,430	↔ 460,831	723,816	889,715	↔ 165,899
1956: March .....	223,874	253,365	↔ 29,492	80,594	91,212	↔ 10,617
April .....	195,255	255,262	↔ 60,006	70,292	91,815	↔ 21,602
May .....	194,961	271,747	↔ 76,786	70,188	97,831	↔ 27,643
June .....	210,742	280,403	↔ 69,661	75,867	100,945	↔ 25,078
▲ July .....	197,783	276,447	↔ 78,624	71,202	99,645	↔ 28,443
▲ August .....	217,192	288,997	↔ 71,805	78,189	104,039	↔ 25,850
1955: August .....	175,985	206,848	↔ 30,863	63,355	74,465	↔ 11,111

## 21. Foreign Exchange Receipts and Payments by Month

(In 1,000 dollars)

Year & Month	Receipts			Payments			Balance
	Exports	Invisible	Total	Imports	Invisible	Total	
1951 Total .....	1,297,324	943,257	2,240,580	1,725,110	184,167	1,909,277	331,303
1952 Total .....	1,289,185	949,942	2,239,127	1,718,361	206,454	1,924,815	314,312
1953 Total .....	1,156,399	963,638	2,120,037	2,100,998	212,718	2,313,716	↔ 193,679
1954 Total .....	1,532,478	776,786	2,309,264	1,961,680	247,616	2,209,296	99,967
1955 Total .....	1,954,169	713,475	2,667,645	1,848,224	325,622	2,173,846	493,798
1956: January .....	181,083	57,257	238,341	179,511	29,301	208,812	29,528
February .....	192,413	61,802	254,216	177,770	32,577	210,348	43,868
March .....	192,327	64,405	256,733	173,529	32,957	206,487	50,246
April .....	209,919	65,730	275,650	184,909	38,738	223,647	52,002
May .....	178,426	67,032	245,458	181,554	35,449	217,004	28,454
June .....	223,223	71,937	295,161	205,603	47,622	253,225	41,935
▲ July .....	204,621	69,839	274,461	242,829	43,607	286,477	↔ 11,976
1955: July .....	165,306	58,027	223,334	156,498	22,076	178,575	44,758

## 22. Exports and Imports by Settlement Area

(In 1,000 dollars)

Year & Month	Exports				Imports			
	Total	Dollar	Sterling	Open Account	Total	Dollar	Sterling	Open Account
1954 Total .....	1,629,236	560,922	492,758	575,556	2,399,404	1,411,067	433,185	554,923
1955 Total .....	2,010,600	816,440	649,081	545,050	2,471,430	1,322,027	599,514	539,773
1956: ▲ January ....	149,752	56,321	50,065	43,355	218,557	113,363	67,040	38,153
▲ February ....	185,695	77,402	65,522	40,469	220,385	113,889	65,954	40,539
▲ March .....	223,788	86,758	81,688	52,471	253,320	120,632	88,189	44,490
▲ April .....	195,252	88,001	67,332	39,892	255,261	119,957	95,975	39,328
▲ May .....	194,958	84,242	75,047	35,654	271,747	144,254	89,397	38,093
▲ June .....	210,742	96,971	72,190	40,415	280,402	156,062	88,977	35,332
1955: June .....	159,595	68,359	51,676	39,560	212,436	105,968	54,302	52,158

## 23. Indices for Industrial Activities

(1934-36=100)

Year & Month	Industrial Activities				Manufacturing									
	All	Public Works	Mining-Manu-facturing	Mining	All	Food-stuff	Textiles	Printing & Binding	Chemicals	Rubber & Leather	Wood & Wood Products	Ceramics	Metals	Ma-chinery
1955 average .....	(153) 187.9	(2) 255.0	(151) 180.7	(10) 117.7	(141) 189.4	(12) 206.7	(12) 85.9	(1) 125.1	(37) 318.4	(10) 177.5	(2) 184.7	(7) 174.8	(18) 218.7	(42) 249.7
1955: November .....	197.2	271.0	189.7	127.1	198.3	214.2	90.1	129.1	319.4	194.3	188.9	189.1	233.8	275.2
December .....	207.1	290.8	199.1	128.8	208.7	234.8	93.0	127.6	352.4	197.1	197.7	189.1	238.9	286.5
1956: January .....	189.4	285.6	181.6	122.2	189.7	197.1	85.2	118.3	322.3	171.7	185.8	172.9	227.3	254.1
February .....	198.6	274.5	191.0	126.8	199.8	200.8	90.7	121.6	332.0	187.7	190.6	189.2	243.6	284.6
March .....	208.1	292.7	200.1	106.7	212.8	210.0	90.0	131.9	357.2	204.2	201.8	207.6	255.6	312.7
April .....	219.4	295.4	211.2	125.8	222.8	213.9	95.7	127.9	390.4	199.8	203.0	214.0	263.4	323.4
May .....	220.4	298.0	212.2	130.6	223.3	219.5	96.0	133.7	391.4	198.4	206.7	212.2	265.8	313.9
▲ June .....	223.3	284.9	215.4	130.6	226.9	220.0	101.0	135.0	380.2	207.2	202.4	205.2	269.2	339.1
▲ July .....	230.6	292.0	222.5	131.2	234.9	244.4	102.7	142.9	393.1	215.5	202.4	212.4	272.1	352.8

Note: ▲ Revised at source. ▲ Provisional figures.

Source: Table 20, Finance Ministry for value and Economic Planning Board, for indices; Table 21 Foreign Exchange Control Dept., Bank of Japan; Table 22, Ministry of Finance; Table 23, Economic Planning Board.

## 24. Coal Supply & Demand

(1,000 metric tons)

Year & Month	Carry-overs	Coal Output	Losses	Supply Total	Demand			Month-end Stocks			
					Delivery	Others	Total	At Collieries	At Port	At Market	Total
1956: January .....	2,512	3,732	(-) 9.0	5,234.6	3,910.4	(-) 80.7	3,829.7	661	827	917	2,405
February .....	2,404.9	3,920.7	(-) 4.5	6,330.1	4,255.5	(-) 12.5	4,243.0	627.8	693.2	766.1	2,087.1
March .....	2,087.1	2,948.0	(+) 47.5	5,082.6	4,184.8	(-) 248.2	3,916.6	350.8	282.4	532.8	1,166.6
April .....	1,166.0	3,783.1	(+) 12.4	4,961.5	3,479.5	(-) 35.1	3,444.4	454.6	479.5	583.0	1,517.1
May .....	1,517.1	3,929.3	(+) 10.6	5,457.0	3,815.0	(-) 113.0	3,702.0	477.9	509.9	767.2	1,755.0
June .....	1,755.0	3,917.4	(+) 13.3	5,685.7	3,780.9	(-) 69.1	3,711.8	483.9	564.2	925.8	1,973.9

## 25. Electric Energy Consumption (1,000 KWH)

Supplied by Power Companies (Over 500 kw)					Industries	Self-generated				
1956						1955		1956		
February	March	April	May	June		January	February	March	April	May
218,809	216,938	221,933	231,310	228,940	Mining .....	50,246	51,579	45,196	52,792	44,849
25,519	27,951	30,240	33,560	34,764	Foodstuffs .....	2,142	1,470	521	583	685
148,320	159,406	156,651	164,598	165,855	Spinning .....	935	1,178	1,281	1,108	1,077
181,072	196,368	193,964	207,320	208,626	Paper & Pulp .....	69,274	68,817	75,671	63,317	64,524
473,587	665,974	901,491	981,191	913,979	Chemicals .....	184,830	164,122	213,133	227,604	240,850
11,888	12,192	11,542	12,241	13,290	Oil & Coal Products .....	2,556	2,390	2,687	2,133	2,523
17,302	18,190	17,268	17,898	18,147	Rubber Goods .....	—	—	—	—	—
43,040	47,497	52,959	57,077	57,789	Glass & Ceramics .....	73,037	98,350	113,491	124,493	116,740
373,103	447,271	568,324	604,922	591,994	Primary Metals.....	201,107	180,923	214,081	234,155	294,847
8,087	8,381	6,854	6,933	6,815	Metal Products.....	—	—	—	—	—
31,879	34,340	32,434	32,721	33,953	Machinery .....	85	74	97	154	300
39,406	46,182	53,352	54,809	55,589	Electric Machinery & Tools.....	—	—	—	—	—
65,906	70,186	65,916	66,690	68,628	Transportation Machinery & Tools .....	—	—	—	—	—
9,526	9,815	9,728	10,120	10,820	Other Manufacturing .....	—	—	—	—	—
1,428,635	1,743,753	2,100,718	2,250,080	2,180,259	Manufacturing Total .....	533,966	517,324	620,962	653,547	676,546
261,667	270,008	261,778	267,210	254,261	Public Utilities.....	217	—	204	209	216
102,276	98,962	95,114	95,211	104,715	Others .....	—	—	—	—	—
2,011,387	2,329,661	2,679,543	2,843,811	2,768,275	Total .....	584,429	569,068	666,362	706,548	721,674

## 26. Supply & Demand of Raw Silk

(In bales=123 lbs.)

Year & Month	Raw Silk					Silk Fabrics			
	Production	Exports	Domestic Deliveries	Stocks at Month-end	U.S. Consumption		Production	Exports	
					Consumption	Stocks at Month-end			
1955: December .....	28,059	9,436	18,895	17,064	5,439	8,651	15,012	4,611	
1956: January .....	20,556	4,820	13,409	19,094	5,970	11,170	13,368	2,196	
February .....	24,464	7,421	15,906	18,311	3,965	9,719	13,296	2,656	
March .....	25,528	5,709	17,593	18,233	4,823	10,003	13,631	2,938	
April .....	22,306	6,408	17,300	16,649	4,757	9,702	14,396	2,587	
May .....	20,306	4,256	17,891	14,808	5,048	9,626	15,227	3,173	
June .....	20,903	4,415	17,174	14,122	4,627	9,421	15,791	..	
1956: January-June .....	134,063	33,029	99,273	—	29,190	—	85,709	13,552	
1955: January-June .....	112,445	30,718	85,927	—	26,319	—	91,869	11,134	

## 27. Supply & Demand of Paper and Pulp

Year & Month	Pulp (long ton)				Paper, Western Style (in 1,000 pounds)				Cardboard & Japanese Style Paper (in 1,000 pounds)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1955: Dec. ....	169,773	90,793	75,627	33,348	268,642	255,728	7,937	154,818	437,036	415,159	20,345	206,726
1956: Jan. ....	161,584	86,435	71,168	37,329	248,934	235,584	8,264	159,903	404,027	379,393	19,348	212,012
Feb. ....	164,793	87,568	78,225	36,329	256,378	243,458	9,775	163,048	424,668	402,905	21,672	212,103
Mar. ....	179,059	96,510	86,267	32,611	285,249	272,542	9,573	167,114	464,266	439,793	19,795	217,711
Apr. ....	169,437	91,664	76,334	34,050	270,353	261,834	8,597	176,036	448,280	430,931	19,002	216,058
May ....	178,974	97,627	81,716	33,681	285,339	276,940	9,859	165,575	472,401	453,190	21,183	214,086
June ....	178,598	95,891	83,669	32,791	286,412	279,505	9,445	163,036	469,894	451,983	22,218	209,778

## 28. Supply & Demand of Soda and Ammonium Sulphate

(In metric tons)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1955: December .....	173,329	185,709	136,027	29,879	31,072	2,742	47,033	41,659	7,766
1956: January .....	179,355	179,327	129,916	29,781	26,877	4,039	47,144	38,622	9,323
February .....	160,707	176,680	107,210	29,895	28,772	3,937	44,826	38,837	8,331
March .....	189,695	187,128	100,965	31,766	30,486	3,835	49,227	41,911	8,203
April .....	202,515	203,281	93,634	30,744	28,019	5,126	50,683	43,509	7,738
May .....	212,005	201,642	95,458	31,708	30,265	5,433	53,398	44,412	8,511
June .....	206,610	162,709	132,245	31,606	29,163	7,087	52,874	44,879	8,913
1955: June .....	181,898	158,806	44,677	23,461	21,725	4,034	38,966	38,966	7,809

Sources: 24. MITI 25. Public Utilities Bureau. 26. Central Raw Silk Association. 27. MITI. 28. MITI. \* Revised at source.

29. Supply & Demand of Pig-iron and Steel Materials

(In tons)

(MITI)

Year & Month	Pig iron			Steel Materials					
	Production	Deliveries	In Stock	Steel			Special Steel		
				Production	Deliveries	In Stock	Production	Deliveries	In Stock
1955: Total .....	5,216,766	1,204,402	88,819	6,931,774	5,363,447	281,393	318,616	238,824	24,463
1956: January .....	473,176	95,288	106,365	605,727	449,405	291,772	31,033	23,534	24,742
February .....	449,394	87,808	102,773	637,746	477,756	287,210	35,059	27,081	24,278
March .....	479,583	104,524	99,583	678,664	524,164	288,176	35,381	27,652	22,926
April .....	485,359	94,447	124,798	662,599	515,103	284,169	39,057	29,447	23,832
May .....	514,527	111,015	152,676	675,410	523,418	274,991	37,474	29,629	22,072
1955: May .....	454,596	100,736	92,435	598,564	439,334	350,588	27,087	19,297	21,986

30. Department Store Sales

(In million yen)

(MITI)

	By Month	No. of Stores	Total	Clothing	Sundry Goods	Household Utensils	Provisions	Dining Room	Services	Outside Store Sales	Others	Gift Certificates
Total .....	1955: October ....	158	17,367	8,832	3,038	1,654	2,467	470	193	536	177	141
	November ..	158	19,534	10,694	3,028	1,849	2,491	478	202	612	180	158
	December ..	158	41,017	20,914	6,904	3,537	7,437	800	258	1,066	303	1,151
	1956: January ....	158	14,577	6,577	2,998	1,467	2,432	461	144	352	146	179
	February .....	158	14,532	6,537	3,048	1,510	2,507	445	143	170	171	176
	March .....	158	20,314	9,821	4,412	1,931	3,011	613	194	35	295	298
	April .....	160	19,620	9,068	4,445	2,066	2,928	612	178	18	304	222
	May .....	161	17,624	7,997	3,724	2,044	2,795	573	162	16	312	158
	June .....	161	18,107	8,741	3,605	2,245	2,595	531	137	18	234	190

31. JPA Procurement Contracts

(In \$1,000)

Year & Month	Contracts (Weekly total)			Cumulative total as from June 26, 1950		
	Total	Merchandise	Services	Total	Merchandise	Services
1951 Average .....	29,470	21,209	8,261	—	—	—
1952 " .....	20,335	13,830	6,505	—	—	—
1953 " .....	27,359	17,523	9,836	—	—	—
1954 " .....	19,761	9,975	9,786	—	—	—
1955 " .....	14,815	5,566	9,249	—	—	—
1955: September .....	9,460	4,916	4,544	1,667,593	681,477	986,116
October .....	21,674	4,063	17,611	1,689,197	699,110	990,087
November .....	8,338	5,009	3,329	1,697,161	702,212	994,949
December .....	9,491	4,192	5,299	1,706,591	999,045	707,546
1956: January .....	10,148	6,126	4,021	1,716,612	1,005,144	711,468
February .....	6,913	2,951	3,962	1,723,023	1,007,559	715,464
March .....	8,251	4,788	3,463	1,730,986	1,012,320	718,666
April .....	14,494	7,644	6,850	1,745,210	1,019,891	725,319
May .....	14,843	9,275	5,568	1,759,849	1,029,027	730,822
June .....	19,810	10,385	9,475	1,781,728	1,039,421	724,307

Source: Economic Planning Board.

32. JPA Procurement Payments

(In \$1,000)

Year & Month	Monthly			Cumulative total as from June 26, 1950		
	Total	U.S.'s Burden	Japan's Burden	Total	U.S.'s Burden	Japan's Burden
1954 Total .....	453,674	268,679	184,995	—	—	—
1955 Total .....	355,664	233,875	121,789	—	—	—
1956: March .....	30,407	21,720	8,687	2,362,222	1,828,513	533,709
April .....	21,934	17,079	4,855	2,384,156	1,845,592	538,564
May .....	27,149	18,266	8,883	2,411,305	1,863,858	547,447
1955: May .....	25,345	16,735	8,610	2,075,164	1,626,791	448,373

Source: American Embassy Economic Section.

33. Labor Population Survey

(In 1,000)

Year & Month	Total (1) Population	Population 14 years old and over						Agriculture & Forestry		Non-Agricultural Industry	
		Total (2)	Labor Force				Not in Labor Force	Not at Work (3)	At Piece-Work (4)	Not at Work (3)	At Piece-Work (4)
			Total of the following three columns	Agriculture & Forestry	Non-Agricultural Industries	Totally Unemployed					
1953 Average .....	86,780	58,310	39,700	17,130	22,120	450	18,620	260	6,270	300	3,360
1954 " .....	88,030	59,280	40,150	16,670	22,910	580	19,080	250	5,790	310	3,360
1955 " .....	89,110	60,920	41,800	17,150	23,970	680	19,010	240	6,360	330	3,790
1956: February .....	89,700	62,190	39,580	13,480	25,350	750	22,530	310	8,280	310	4,270
March .....	89,800	62,320	41,910	15,430	25,420	1,060	20,310	320	8,340	440	4,270
April .....	89,900	62,420	43,110	17,000	25,410	700	19,210	250	6,260	270	3,400
May .....	89,900	62,510	44,610	18,960	25,030	620	17,820	210	4,580	260	3,220
June .....	90,000	62,600	44,970	19,730	24,670	570	17,560	230	7,130	310	3,060
July .....	90,100	62,700	44,280	18,530	25,190	570	18,320	230	4,950	440	3,360
1955: July .....	89,200	60,900	40,800	19,220	21,150	430	17,630	180	4,890	380	3,450

Notes: (1) Since August, 1950, total population is the estimated total population as of the 1st of next month.

(2) Including persons whose labor force status was unknown.

(3) Among the persons holding jobs but not at work during the survey week, the following are defined as not at work: self-employed workers are not at work provided that their employees or unpaid family workers are engaged in their business during the survey week; employees are not at work provided that either they received or are expected to receive payment.

(4) Those whose working hours total only 1-34 hours in a week.

Source: Bureau of Statistics, Office of the Prime Minister.

## 34. Spot Quotations on Tokyo Securities Exchange

Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1956			Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1956		
			August		Sept. 15				August		Sept. 15
			High	Low					High	Low	
Transportation						Food & Fishery					
Iino Kaiun .....	6,600	—	81	72	72	Ajinomoto .....	2,296	25	210	199	201
Mitsubishi Shipping .....	2,400	8	102	91	90	Asahi Breweries .....	1,460	20	189	178	175
Mitsui Steamship .....	5,400	—	80	67	68	Dainippon Sugar Mfg. ....	720	25	163	152	154
Nippon Express .....	7,200	16	243	236	229	Honen Oil .....	600	20	185	166	185
Nitto Shosen .....	4,000	8	80	70	74	Japan Beet Sugar Mfg. ....	675	20	125	121	123
N.Y.K. ....	7,600	—	82	72	67	Japan Distilling .....	1,100	20	94	92	92
O.S.K. ....	7,600	—	70	60	57	Kirin Brewery .....	1,230	22	230	225	225
Tobu Railway .....	1,600	13	132	108	115	Meiji Confectionery .....	840	25	159	149	145
Tokyo El. Express Railway ..	3,000	15	103	99	97	Meiji Sugar Mfg. ....	500	30	161	152	156
Mining & Oil						Morinaga Confectionery .....	750	20	186	178	171
Dowa Mining .....	1,000	25	220	212	210	Nippon Breweries .....	1,460	20	175	165	163
Furukawa Mining .....	1,352	12	129	120	126	Nippon Cold Storage .....	1,600	20	122	117	117
Maruzen Oil .....	2,625	20	117	105	108	Nippon Flour Mills .....	720	20	135	127	129
Mitsui Mining & Smelting ....	2,400	18	123	114	117	Nippon Suisan .....	2,800	15	101	93	96
Mitsubishi Mining .....	1,800	10	119	103	103	Nissin Flour Milling .....	1,000	16	128	126	127
Mitsubishi Metal Mining .....	2,100	18	152	144	148	Nissin Oil Mills .....	500	35	151	144	148
Mitsubishi Oil .....	2,400	20	124	115	119	Noda Soy Sauce .....	800	30	211	208	204
Mitsui Mining .....	1,200	—	120	101	102	Taito .....	300	45	272	255	262
Nihon Mining .....	4,200	20	115	87	125	Takara Shuzo .....	2,618	20	141	130	132
Nippon Oil .....	4,500	20	103	96	98	Toyo Seito .....	333	30	161	155	157
Showa Oil .....	2,550	20	106	95	98	Chemicals					
Sumitomo Coal Mining .....	1,200	10	85	79	77	Dainippon Celluloid .....	1,000	15	167	155	153
Sumitomo Metal Mining .....	1,950	18	134	115	122	Electro-Chemical .....	2,040	20	125	115	112
Teikoku Oil .....	2,000	12	94	81	80	Kansai Paint .....	400	20	135	130	130
Toa Nenryo Kogyo .....	3,159	25	143	130	133	Kyowa Fermentation Ind. ....	1,399	20	108	102	104
Ube Industries .....	4,200	20	153	143	147	Mitsubishi Chem. Ind. ....	3,172	10	144	130	127
Shipbuilding & Machinery						Mitsui Chemical Ind. ....	1,600	20	147	128	141
Canon Camera .....	400	25	184	178	179	Nippon Chem. & Medicine .....	500	20	154	146	145
Ebara Mfg. ....	600	20	214	□ 135	□ 136	Nippon Soda .....	1,508	15	125	116	120
Fuji Electric .....	1,500	15	119	110	113	Nissan Chemical Ind. ....	2,000	13	80	75	75
Furukawa Electric .....	3,000	12	92	86	88	Nitto Chem. Ind. ....	2,120	8	129	127	129
Hitachi, Ltd. ....	10,000	15	100	94	93	Sankyo .....	520	25	205	189	193
Ishikawajima Heavy Ind. ....	1,300	12	130	120	120	Shin-etsu Chemical Ind. ....	980	15	150	140	□ 89
Isuzu Motor .....	3,000	16	125	□ 86	□ 90	Shin Nippon Chisso Hiryo .....	1,200	15	133	121	129
Japan Precision Ind. ....	800	20	194	183	□ 104	Showa Denko .....	4,400	15	187	166	□ 110
Koyo Seiko .....	400	15	137	118	122	Sumitomo Chemical .....	4,000	15	132	124	125
Mitsubishi Elec. Mfg. ....	3,600	15	108	92	102	Toa Gosei Chemical Ind. ....	1,200	20	194	174	180
Mitsubishi Heavy Ind., Reorg. .	5,600	12	106	98	98	Toyo Koatsu Ind. ....	3,600	20	136	125	128
Mitsubishi Japan Heavy Ind. ..	3,000	10	79	73	74	Toyo Soda .....	1,000	15	116	107	103
Mitsubishi Shipbldg. & Eng. .	2,800	12	136	127	128	Miscellaneous					
Mitsui Shipbldg. & Eng. ....	2,240	16	105	99	103	Asahi Glass .....	3,100	20	206	195	192
Nippon Electric .....	1,000	15	145	131	138	Fuji Photo Film .....	2,000	20	176	168	162
Nippon Kogaku .....	310	15	177	163	166	Konishiroku Photo Industry ..	1,200	20	130	124	127
Nissan Motor .....	2,100	20	142	128	134	Nippon Musical Instruments ..	450	25	149	144	148
Tokyo Shibaura Electric .....	6,392	12	97	82	90	Nippon Sheet Glass .....	1,200	20	173	167	164
Toyo Bearing Mfg. ....	600	20	195	□ 115	□ 114	Toyo Seikan .....	(A) 400	20	1,765	1,670	1,750
Steel & Metal						Tokyo Rope .....	440	10	155	148	144
Fuji Iron & Steel .....	8,400	12	89	82	82	Yokohama Rubber .....	951	10	155	140	145
Kawasaki Steel .....	4,000	—	79	75	77	Paper & Printing					
Kobe Steel Works .....	3,600	12	80	70	75	Hokuetsu Paper Mills .....	900	10	75	70	69
Nippon Light Metal .....	2,722	10	173	164	162	Honshu Paper .....	2,000	8	97	88	87
Nippon Kokan Ind. ....	10,000	15	85	78	81	Jujo Paper .....	1,120	30	273	260	259
Sumitomo Metal Ind. ....	5,000	10	81	74	74	Mitsubishi Paper Mills .....	900	15	111	101	97
Yawata Iron & Steel .....	9,600	12	90	84	85	Oji Paper .....	1,600	25	249	237	235
Textiles						Toppan Printing .....	300	23	193	185	148
Asahi Chemical .....	(B) 3,675	25	387	374	381	Lumber & Ceramics					
Chuo Textile .....	500	10	68	62	62	Iwaki Cement .....	1,000	40	213	196	200
Dai Nippon Spinning .....	5,250	18	114	107	103	Nihon Cement .....	2,500	24	159	148	152
Daito Woollen Spinning .....	1,500	20	102	96	99	Nippon Gaishi .....	500	25	181	177	178
Fuji Spinning .....	3,000	20	151	□ 103	□ 101	Nippon Toki .....	490	25	240	226	□ 179
Japan Wool Textile .....	2,560	50	143	135	137	Onoda Cement .....	5,120	16	95	90	90
Kanegafuchi Spinning .....	3,738	20	115	106	105	Land, Warehouse & Trade					
Kokoku Rayon .....	3,000	12	81	77	77	Heiwa Real Estate .....	1,280	10	365	326	322
Kokusaku Pulp .....	1,200	20	164	154	157	Mitsui Bussan .....	878	20	219	208	224
Kurashiki Rayon .....	1,500	15	193	174	182	Mitsui Real Estate .....	200	20	805	759	749
Kurashiki Spinning .....	2,600	20	118	□ —	□ —	Mitsubishi Estate .....	2,064	18	227	196	198
Mitsubishi Rayon .....	1,500	20	173	164	160	Mitsubishi Shoji .....	5,000	16	108	99	97
Nippon Pulp Ind. ....	1,600	20	131	127	131	Mitsubishi Warehouse .....	600	10	106	98	96
Nissin Cotton Spinning .....	1,040	30	347	315	317	Dept. Stores & Amusements					
Nitto Spinning .....	1,350	15	117	105	103	Mitsukoshi .....	1,860	26	378	344	343
Ohmi Kenshi Spinning .....	1,000	10	114	105	100	Nikkatsu .....	3,287	10	63	61	62
Sanyo Pulp .....	2,175	20	165	157	157	Shochiku Motion Picture .....	1,848	25	233	224	□ 154
Teikoku Rayon .....	3,200	20	195	185	178						
Toho Rayon .....	1,500	20	136	127	129						
Tohoku Pulp .....	1,560	20	157	149	151						
Toyo Rayon .....	6,000	25	180	173	172						
Toyo Spinning .....	6,450	22	220	□ 145	□ 143						

Notes: (A) 500 yen shares. (B) 100 yen shares, others 50 yen. □ ex-new.

35. Exports and Imports by Country

(In million yen)

Settlement Area	Countries	Exports				Imports			
		1954 Total	1955 Total	May 1956	June 1956	1954 Total	1955 Total	May 1956	June 1956
	Total Exports & Imports .....	586,562	723,816	70,186	75,867	863,785	889,715	97,829	100,945
	Asia Total .....	286,846	303,460	28,800	28,870	265,259	325,421	34,335	30,826
0	Korea .....	24,684	14,218	1,051	2,193	2,911	3,434	290	1,233
£	China .....	1,878	20,277	1,565	2,414	14,677	29,080	2,242	1,796
£	Ryukyu Islands .....	15,529	18,288	1,728	1,692	3,645	5,738	823	707
£	Hong Kong .....	27,815	31,702	4,865	2,910	1,426	2,221	352	419
0	Formosa .....	23,734	22,978	2,120	3,598	20,552	29,116	1,826	1,399
	Southeast Asia Total .....	161,444	203,270	17,926	15,868	165,301	189,834	19,904	18,052
0	Indo-China .....	4,654	13,245	1,070	1,503	5,233	1,982	263	514
0	Thailand .....	23,438	22,691	1,470	1,765	24,901	22,841	1,370	1,850
£	Malayan Union .....	3,360	4,852	439	415	20,326	33,416	3,272	3,144
£	Singapore .....	13,281	21,355	1,825	1,446	2,648	5,892	817	913
0	Philippines .....	11,229	18,651	1,956	1,553	24,166	32,023	3,166	3,084
£	British Borneo .....	179	377	46	39	6,986	7,707	927	818
£	Indonesia .....	43,097	23,297	2,096	2,347	21,682	29,219	3,095	2,898
£	Burma .....	16,413	13,786	787	516	22,713	16,477	2,714	1,764
£	India .....	15,788	30,503	2,525	2,346	18,562	27,823	3,689	2,211
£	Pakistan .....	20,160	15,839	339	413	13,028	16,951	1,084	1,630
£	Ceylon .....	6,226	7,353	546	659	950	989	81	73
£	Iran .....	8,446	8,072	495	651	7,722	7,920	673	477
£	Iraq .....	6,110	7,756	656	581	2,127	2,055	235	349
£	Aden .....	3,348	3,461	270	278	102	1,159	226	125
£	Saudi Arabia .....	999	2,372	490	348	39,916	35,169	4,865	4,549
£	Kuwait .....	1,682	2,265	262	210	3,887	5,914	1,100	818
0	Turkey .....	2,444	1,272	1,173	129	2,091	396	—	105
£	Jordan .....	562	637	61	64	50	356	—	—
£	Syria .....	1,355	2,502	160	179	222	1,425	—	232
£	Lebanon .....	458	434	105	42	146	37	—	16
	Europe Total .....	52,665	74,086	7,852	7,067	69,526	62,999	7,252	7,256
0	Sweden .....	3,031	4,815	453	379	3,268	1,712	201	194
£	Denmark .....	471	2,123	103	105	1,343	685	85	48
£	United Kingdom .....	18,405	21,876	2,505	3,002	13,358	18,650	1,887	2,122
0	Netherlands .....	7,855	9,627	703	608	4,227	4,129	281	485
£	Belgium & Luxemburg Economic Union ..	2,896	3,736	366	441	4,955	3,248	330	329
0	France .....	4,189	4,182	270	385	7,400	5,507	739	814
£	West Germany .....	6,514	9,058	624	698	15,880	16,648	1,242	1,748
£	East Germany .....	880	1,145	290	—	1,897	1,858	570	153
£	Switzerland .....	1,708	2,259	239	321	3,925	4,573	399	493
£	Spain .....	564	1,235	1,094	356	4,783	4,242	1,170	168
£	Italy .....	1,940	2,846	378	350	6,295	4,717	189	568
£	Norway .....	420	542	—	34	150	98	—	7
0	Finland .....	551	1,419	47	33	815	474	—	—
£	Austria .....	282	818	72	129	324	320	34	27
	North America Total .....	125,456	191,536	19,519	20,024	396,858	367,588	41,824	47,355
£	Canada .....	7,576	16,254	2,446	2,253	44,117	39,175	3,905	5,279
£	U.S.A. .....	99,655	161,722	15,962	16,714	304,899	278,021	31,673	33,908
£	Mexico .....	10,863	2,656	189	171	33,219	30,230	3,794	2,570
£	Cuba .....	1,092	1,747	103	119	8,739	9,906	1,339	2,854
£	Panama .....	554	2,166	131	151	909	323	5	20
£	Colombia .....	3,415	2,556	152	228	200	257	54	44
£	Ecuador .....	477	549	36	28	212	74	9	5
	South America Total .....	56,924	53,533	3,360	4,270	63,829	37,432	3,014	2,529
£	Peru .....	1,670	1,796	210	259	7,315	3,880	232	536
0	Brazil .....	28,155	12,032	1,174	1,477	26,580	21,340	1,548	321
0	Argentina .....	17,592	28,485	882	1,652	21,800	8,006	1,043	1,456
£	Chile .....	447	1,401	41	74	863	278	33	111
	Africa Total .....	49,857	74,009	8,522	13,891	18,462	22,664	4,388	4,124
0	Egypt .....	2,312	5,124	382	425	10,086	10,643	1,632	2,510
£	Nigeria & Gold Coast .....	15,305	22,034	2,358	2,180	111	62	41	37
£	Liberia .....	9,055	19,060	3,455	8,620	87	19	105	327
£	Belgian Congo .....	4,249	1,226	129	149	25	45	4	4
£	British East Africa .....	—	—	287	627	—	—	943	504
£	Union of South Africa .....	10,885	10,382	1,023	1,106	3,807	6,295	556	486
	Australia & Oceania Total .....	14,794	27,181	2,128	1,325	49,769	73,569	7,016	8,843
£	Australia .....	10,155	19,842	1,287	775	42,160	63,974	6,231	7,802
£	New Zealand .....	941	2,833	409	190	1,612	2,419	255	203
£	Hawaii .....	2,092	2,478	253	126	638	365	116	22
£	New Caledonia .....	105	230	45	27	1,217	2,483	249	493
0	French Oceania .....	74	74	2	3	1,425	1,513	87	105
£	Guam .....	405	210	12	75	727	712	65	8

Source: Finance Ministry.

Note: 0 denotes open account area; \$, dollar area; £, sterling area.

## 36. Production by Major Items

Items	In	1955 Total	1956 June	1956 July	Items	In	1955 Total	1956 June	1956 July
Electricity. Coal. Cokes. Gas				△	Ordinary Motors.....	HP	654,614	95,982	114,656
Electricity .....	1,000 KWH	53,503,578	5,185,958	5,327,527	Ordinary Transformers .....	KVA	1,436,524	191,247	206,308
Coal .....	1,000 Tons	42,423.4	3,917	3,918	Mercury Rectifiers .....	KW	109,961	9,616	19,745
Cokes .....	"	7,088,685	654,401	675,456	Condensers (High Pressure) ..	KVA.	961,277	114,336	123,121
Gas .....	1,000 CM	2,411,555	198,631	201,415	Condensers (Low Pressure) ..	MF.	..	1,552,968	1,650,731
Minerals					Switchboards .....	Units	37,304	4,217	4,098
Gold .....	GM.	7,382,292	612,024	581,608	Circuit Breakers .....	"	56,901	23,415	25,433
Silver .....	KG.	184,870	16,491	15,584	Controllers .....	"	..	5,963	6,517
Copper .....	Tons	71,096	6,454	6,584	Electric Fans .....	"	515,305	69,710	59,384
Lead .....	"	26,089	2,680	2,590	Electric Bulbs .....	1,000 Pcs.	142,887	13,239	12,897
Zinc .....	"	108,392	10,349	10,501	Special Electric Bulbs .....	"	66,801	5,606	5,476
Sulphuric Iron .....	"	2,730,662	250,898	262,217	Watt-hour Meters .....	Units	1,461,458	172,815	164,675
Iron .....	"	965,021	98,601	79,100	Electric Meters .....	"	31,909	4,215	4,272
Refined Sulphur .....	"	202,415	20,004	20,779	Storage Batteries .....	Kg.	10,179,162	979,251	886,365
Crude Oil .....	KG.	354,309	28,910	29,036	X-Ray Equipments .....	Sets	4,849	421	403
Natural Gas .....	CM.	..	13,976,509	14,110,000	Telephones .....	"	509,990	45,011	51,104
Non-ferrous Metals & Products					Telephone Switchboards ...	"	3,349	292	396
Electric Gold .....	GM.	8,591,140	864,347	777,110	Automatic Tel. Switchboards	Circuits	193,673	15,820	24,963
Electric Silver .....	KG.	227,440	20,167	21,109	Radios .....	Set.	1,789,190	234,458	221,460
Electric Copper .....	Tons	113,316	11,331	11,404	Televisions .....	"	136,505	27,145	31,200
Lead .....	"	37,111	3,613	3,812	Electric Tubes for Receiving	1,000 Pcs.	30,481	3,410	3,520
Zinc .....	"	..	11,308	11,863	Elect. Tubes for Transmis. ..	1,000 Pcs.	74,167	13,832	9,044
Electric Tin .....	KG.	1,033,606	86,246	80,970	Truck Chassis .....	Units	20,584	2,537	2,555
Mercury .....	"	171,271	22,571	22,456	Bus Chassis .....	"	4,807	366	450
Nickel .....	"	3,487,484	475,127	495,355	Small Four-wheeler Chassis ..	"	..	3,067	3,436
Aluminum .....	Tons	57,508	5,680	5,749	Small Passenger Car Chassis ..	"	..	1,930	2,035
Rolled Aluminum .....	"	52,980	5,252	5,371	Small Three-wheeler Chassis ..	"	87,743	8,775	9,120
Rolled Copper .....	"	117,044	11,948	11,850	Truck Bodies .....	"	..	4,081	4,100
Wires & Cables .....	"	95,478	9,992	9,968	Bus Bodies .....	"	..	623	680
Oil Products					Small Truck Bodies .....	"	..	2,466	2,850
Gasoline .....	KL.	2,461,481	233,462	253,797	Bicycles .....	"	1,108,792	111,495	112,128
Light Oil .....	"	737,128	81,648	63,080	Industrial Locomotives .....	"	305	36	51
Heavy Oil .....	"	3,928,552	454,149	510,544	Binoculars .....	Pairs	280,582	33,888	32,926
Lubricants .....	"	365,514	36,018	33,776	Cameras .....	Units	1,021,236	105,860	104,384
Iron & Steel Products					Japanese Typewriters .....	"	11,738	1,183	1,338
Pig-iron .....	Tons	5,216,766	476,876	483,563	Watches .....	Pcs.	5,798,343	582,280	566,009
Pig-iron for Forgery .....	"	616,181	59,474	64,251	Textiles & Yarns				
Steel .....	"	9,407,723	897,950	954,381	Cotton Yarn .....	1,000 lb.	922,680	93,358	92,520
Ordinary Steel .....	"	8,852,370	826,490	878,006	Silk Yarn .....	"	4,387	394	394
Special Steel .....	"	555,353	71,460	76,375	Rayon Staple Yarn .....	"	195,352	18,460	19,426
Ferro-alloys .....	"	209,647	32,719	29,488	Rayon Filament Yarn .....	"	410,938	40,442	44,763
Rolled iron materials .....	"	6,931,774	645,008	645,017	Woolen Yarn .....	"	184,748	20,593	20,338
Iron Shapes (Medium size) ..	"	359,263	40,133	39,194	Best Fibre Yarn .....	"	101,053	8,385	8,466
Iron Bars (Medium size) .....	"	75,616	7,986	6,183	Chemical Textiles .....	"	..	5,108	5,111
Iron wire .....	"	606,627	45,454	43,794	Staple Fibres .....	"	536,748	56,637	59,095
Iron Sheets (Thick) .....	"	1,421,148	166,872	161,233	Cotton Textiles .....	1,000 sq. y.	3,018,137	301,464	293,064
Iron Sheets (Thin) .....	"	740,637	55,635	54,781	Silk Textiles .....	"	184,322	15,791	16,011
Rolled Special Steel .....	"	318,616	40,084	41,275	Spun Silk Textiles .....	"	24,497	1,948	1,905
Iron Tubes .....	"	432,233	42,713	43,859	Rayon Textiles .....	"	773,828	77,792	77,407
Forged Steel .....	"	144,390	17,935	17,644	Rayon Staple Textiles .....	"	895,927	88,188	94,654
Cast Steel .....	"	..	21,012	17,758	Woolen Textiles .....	"	185,615	17,529	18,818
Galvanized Sheets .....	"	..	50,137	52,256	Best Fibre Textiles .....	"	137,549	12,594	11,874
Machinery & Machine Tools					Best Fibre Ropes .....	1,000 lb.	..	7,465	7,445
Steam Boilers .....	Tons	33,266	1,209	1,500	Chemicals				
Steam Turbines .....	KW.	403,594	2,721	2,160	Ammonium .....	Tons	750,315	75,401	74,058
Water Turbines .....	KW.	627,664	46,580	77,914	Sulphuric Acid .....	"	..	492,740	487,085
Gasoline Engines .....	HP.	178,455	18,692	20,880	Ammonium Sulphate .....	"	2,128,943	206,610	200,276
Oil Burners .....	"	323,889	32,619	37,190	Superphosphate of Lime .....	"	1,794,786	160,580	147,015
Machine Tools .....	Tons	6,588	871	993	Carbide .....	"	674,073	99,341	94,898
Drills .....	1,000 Pcs.	12,846	1,412	1,466	Calcium Cyanamide .....	"	510,883	50,780	41,244
Rolling Machines .....	Tons	..	4,640	4,427	Caustic Soda .....	"	517,138	52,874	56,521
Bearings .....	"	6,948	961	1,001	Soda Ash .....	"	830,448	31,606	29,836
Cogs .....	"	1,598,422	517	438	Synthetic Hydrochloric Acid	"	..	21,939	23,763
Burners .....	"	..	299	342	Bleaching Powder .....	"	..	2,021	1,731
Thrashing Machines .....	"	252,541	21,713	22,369	Liquid Choline .....	"	..	7,534	7,762
Hulling Machines .....	"	56,171	5,020	5,960	Crude Bensol .....	"	97,675	9,423	9,122
Rice-cleaning Machines .....	"	78,445	3,972	4,849	Refined Bensol .....	"	40,556	4,592	4,647
Air Compressors .....	"	4,076	693	735	Pure Toluol .....	"	7,738	810	790
Electric Fans .....	"	4,944	730	668	Photo-films .....	1,000 sq.m.	8,006	744	720
Pumps .....	"	21,056	2,157	2,406	Paper & Pulp				
Refrigerators .....	"	14,525	1,251	1,289	Pulp .....	Long Tons	1,877,415	178,598	180,078
Conveyers .....	"	15,305	1,580	1,543	Western Style Papers .....	1,000 lb.	3,071,063	469,893	474,171
Cranes .....	Tons	16,073	2,031	1,503	Ceramics				
Winches .....	"	4,853	549	481	Firebricks .....	Tons	689,339	71,054	73,000
Elevators .....	"	..	683	484	Chinawares .....	"	..	38,996	40,814
Printing Machines .....	"	7,725	832	569	Enamelwares .....	"	27,239	1,574	1,600
Silk Preparing Machines .....	"	..	461	417	Red Bricks .....	"	527,109	57,940	61,050
Cotton Preparing Machines ..	"	..	599	618	Sheet Glass .....	Boxes	6,650,036	551,071	615,004
Cotton Spinning Machines .....	"	25,750	5,865	7,299	Cement .....	Tons	10,556,650	1,069,767	1,124,505
Wool Spinning Machines .....	"	14,537	570	503	Miscellaneous				
R. Staple Weaving Machines ..	Units	16,648	1,901	1,967	Automobile Tires .....	Pcs.	2,317,575	245,845	268,247
Cotton Weaving Machines .....	"	16,950	1,657	2,215	Bicycle Tires .....	"	..	1,367	1,285
Wool Weaving Machines .....	"	2,764	237	265	Metal Toys .....	1,000 pcs.	250,795	25,721	26,687
Sewing Machines .....	"	1,696,334	145,033	137,289	Pencils .....	Gross	6,591,749	588,979	495,000
Lathes .....	Tons	5,132	623	834	Fountain Pens .....	dz.	1,871,847	170,106	188,000
Drilling Machines .....	"	3,354	375	332	Leather Shoes .....	prs.	1,790,324	270,299	264,013
Millwork Power Generators ..	KVA	1,377,023	56,537	54,875					

Source: Ministry of International Trade &amp; Industry.

Note: △ Provisional figures.

37. Exports by Major Articles  
 (In million yen)

Articles	Unit	1955		1956			
		Aggregate		May Aggregate		June (Aggregate)	
		Volume	Value	Volume	Value	Volume	Value
Food .....	—	—	47,793	—	5,798	—	5,289
Fish & Shellfish .....	m.t.	155,108	27,226	16,800	4,532	14,217	3,205
Canned, Bottled Fish .....	"	62,206	16,442	11,405	3,798	7,808	2,384
Cereals .....	—	—	1,287	—	68	—	75
Fresh & Frozen Fruit .....	m.t.	116,519	9,276	5,561	655	13,091	1,191
Sugar & Its Products .....	m.t.	34,039	1,434	217	25	123	97
Beverage & Tobacco .....	—	—	1,214	807	66	1,856	190
Tea .....	1,000 lbs.	31,954	3,510	—	73	—	108
Beer .....	kl.	6,339	507	—	48	—	84
Tobacco .....	—	—	471	—	25	—	24
Raw Materials .....	—	—	35,285	—	2,561	—	2,608
Lumber .....	cu.m.	442,008	10,438	47,866	921	55,549	1,098
Textile, Fibre .....	1,000 lbs.	69,061	20,821	5,543	1,288	4,804	1,300
Raw Silk .....	bales	86,712	18,005	602	923	642	1,001
Fertilizers & Mineral Products .....	—	—	252	—	14	—	11
Animal & Vegetable Materials .....	—	—	2,257	—	233	—	152
Coal & Petroleum .....	—	—	2,546	—	322	—	283
Animal & Vegetable Oils .....	—	—	6,381	—	283	—	1,565
Animal Oil .....	m.t.	—	5,448	—	131	—	1,527
Cod-liver Oil .....	"	6,729	2,155	293	129	240	105
Vegetable Oil .....	"	8,036	916	1,032	127	211	29
Chemicals, Drugs .....	—	—	33,751	—	3,117	—	3,698
Pharmaceuticals .....	—	—	2,997	—	300	—	387
Chemical Fertilizers .....	m.t.	762,875	15,010	80,081	1,326	88,154	1,844
Manufactured Products by Material .....	—	—	414,867	—	38,386	—	36,097
Rubber Goods .....	—	—	4,359	—	838	—	813
Tyres & Inner Tubes .....	m.t.	9,281	3,345	1,725	671	1,829	698
Wood & Cork Products .....	—	—	15,763	—	329	—	326
Paper & Related Products .....	m.t.	82,096	6,627	9,594	855	10,886	931
Textiles .....	—	—	210,588	—	19,546	—	18,339
Woollen Yarn .....	1,000 lbs.	7,877	6,263	583	349	581	376
Cotton Yarn .....	"	26,226	8,756	1,936	634	1,326	403
Rayon Yarn .....	"	18,046	3,231	4,953	854	4,055	711
Spun Rayon Yarn .....	"	39,224	5,897	1,458	248	1,361	234
Cotton Fabrics .....	1,000 sq. yds.	1,138,829	82,757	90,843	6,927	79,720	6,349
Silk Fabrics .....	"	30,022	5,622	19,424	1,075	16,067	912
Woollen Fabrics .....	"	17,751	10,003	1,468	758	1,633	883
Artificial Fibre Fabrics .....	"	895,631	55,686	102,366	6,930	99,379	6,774
Non-Metallic Minerals .....	—	—	30,625	—	3,213	—	3,742
Cement .....	m.t.	1,206,244	8,098	131,489	852	220,057	1,496
Glass Products .....	—	—	4,634	—	460	—	447
Chinaware .....	—	—	15,106	—	1,507	—	1,441
Precious Metals & Gems .....	—	—	7,846	—	812	—	834
Cultured Pearls .....	kg.	18,223	3,633	1,762	445	2,415	468
Base Metals & Products .....	—	—	117,096	—	9,320	—	7,658
Iron & Steel .....	m.t.	1,988,521	93,418	132,099	7,908	95,429	6,060
Steel Bars & Shapes .....	"	356,875	11,401	17,822	673	14,741	563
Steel Plates (ungalvanized) .....	"	344,719	16,801	27,901	1,705	17,378	841
Copper .....	"	41,184	13,257	556	248	981	277
Nickel .....	"	2,213	2,261	381	375	261	342
Aluminium .....	"	24,883	5,033	1,224	313	1,215	327
Metal Products .....	—	—	21,845	—	2,330	—	2,188
Machinery & Transportation Equipment .....	—	—	88,835	—	10,662	—	16,695
Machinery (excl. electric machines) .....	—	—	34,848	—	3,339	—	3,367
Metal Processing Machines .....	—	—	1,134	—	47	—	82
Textile Machines & Parts .....	—	—	9,562	—	678	—	855
Sewing Machines & Parts .....	—	—	13,938	—	1,346	—	1,045
Electric Machines .....	—	—	11,123	—	1,491	—	1,644
Gen. Motors, Trans. & Alternators .....	unit	—	2,188	—	168	—	381
Electric Bulbs .....	1,000 pcs.	194,791	1,601	21,777	180	19,006	170
Transportation Equipment .....	—	—	42,864	—	—	—	11,684
Railway Rolling Stock .....	—	—	7,814	—	5,831	—	922
Automobiles .....	—	—	3,736	—	338	371	24
Bicycles & Parts .....	m.t.	—	3,056	—	376	16	49
Ships .....	unit	348	28,147	76	4,675	91	10,221
Miscellaneous .....	—	—	90,295	—	8,769	—	9,291
Camera .....	—	234,471	1,680	23,868	151	22,337	197
Toys .....	m.t.	47,352	15,294	5,282	1,656	5,580	1,847
Livestock, Pets etc. ....	—	—	299	—	* 1	—	2
Re-export Goods .....	—	—	2,551	—	213	—	232
Total Exports .....	—	—	723,816	—	70,186	—	75,867

Note: Figures of group total include others than represented. Figures for value are rounded under one thousand.  
 Source: Customs Division, Tax Bureau, Ministry of Finance. \* Revised.

## 38. Imports by Major Articles

(In million yen)

Articles	Unit	1955		1956			
		Aggregate		May (Aggregate up to)		June (Aggregate up to)	
		Volume	Value	Volume	Value	Volume	Value
Food .....	—	—	220,038	—	16,592	—	17,561
Cereals (rice, wheat & barley, etc.) .....	m.t.	—	158,437	375,566	12,292	382,091	12,162
Fruit & Vegetables .....	"	149,625	7,191	8,730	442	7,259	428
Sugar .....	"	1,243,131	43,692	93,895	3,059	130,212	4,423
Coffee .....	1000. lbs.	9,058	2,044	1,208	229	805	178
Beverage & Tobacco .....	—	—	4,955	—	60	—	33
Spirits .....	l.	—	274	—	53	—	30
Raw Materials .....	—	—	441,281	—	51,916	—	53,981
Hides & Skins .....	m.t.	61,763	8,055	—	795	5,877	865
Cow Hide .....	"	47,041	5,214	4,192	487	4,085	502
Box Calf .....	"	8,000	2,008	643	191	770	245
Oil Seeds .....	"	1,135,105	52,928	77,942	3,683	112,181	4,837
Peanuts .....	"	14,554	1,238	—	—	—	—
Copra .....	"	50,736	3,829	2,188	167	4,451	356
Soy-beans .....	"	808,177	35,368	39,524	1,660	70,814	3,016
Rubber .....	"	109,057	26,905	11,584	2,615	11,823	2,598
Crude Rubber .....	"	87,669	23,852	8,282	2,068	9,031	2,128
Latex .....	"	7,160	1,522	942	189	992	192
Synthetic Rubber .....	"	5,199	1,374	1,002	328	873	245
Lumber & Cork .....	c.m.	—	22,909	—	2,460	—	2,423
Lumber .....	"	2,051,859	22,243	202,049	2,314	204,568	2,378
Cork .....	m.t.	6,568	616	1,488	140	517	42
Pulp & Scrap Paper .....	—	—	6,849	—	972	—	907
Fibres & Textiles .....	1,000 lbs.	1,498,630	210,799	189,189	25,209	177,679	24,689
Silk (incl. cocoons) .....	1,000 lbs.	1,904	407	215	58	114,408	22
Wool .....	"	214,191	63,376	25,922	7,171	33,221	9,004
Cotton .....	"	972,061	130,318	146,647	17,211	123,822	14,669
Cotton Linter .....	"	30,754	773	4,620	106	105,333	13,464
Waste Cotton .....	"	87,211	6,920	11,387	827	13,745	1,099
Hard & Bast Fibres .....	"	117,856	7,823	15,180	620	18,736	772
Jute .....	"	69,843	2,604	5,091	175	7,321	263
Flax .....	"	5,554	608	447	29	686	48
Sisal Hemp .....	"	27,212	937	4,756	240	6,232	304
Manila Hemp .....	"	71,196	3,324	1,053	116	1,569	178
Fertilizers & Non-metallic Minerals .....	m.t.	—	36,975	—	2,537	—	2,604
Fertilizers .....	"	2,369,295	23,959	111,759	950	145,211	1,199
Salt .....	"	2,025,019	7,775	209,830	954	187,099	787
Asbestos .....	"	20,400	1,436	1,737	132	3,622	240
Magnesite .....	"	53,486	923	5,600	97	5,946	104
Metals & Ores .....	m.t.	7,784,569	66,867	984,196	13,105	1,043,340	14,442
Iron Ore .....	"	5,459,458	29,354	652,793	4,195	642,322	3,969
Scrap Iron .....	"	1,286,959	22,951	213,702	5,304	252,526	6,222
Non-ferrous Metals .....	"	1,021,375	12,063	112,176	1,844	146,180	2,005
Nickel .....	"	44,196	2,150	27,184	249	56,578	493
Aluminium .....	"	307,530	2,435	41,118	208	52,864	264
Manganese .....	"	343,312	1,513	8,856	125	9,512	144
Animal Materials .....	—	—	3,039	—	245	—	260
Vegetable Materials .....	—	—	5,948	—	295	—	357
Coal & Petroleum .....	—	—	104,040	—	13,433	—	11,734
Coal .....	m.t.	2,861,923	20,237	388,386	3,177	311,074	2,638
Anthracite .....	"	267,398	1,732	30,062	314	46,827	360
Bituminous (for coking) .....	"	2,575,281	18,437	288,205	2,477	236,402	2,103
Petroleum .....	k.l.	12,114,718	81,863	1,411,675	10,020	1,199,785	8,778
Crude & Unrefined .....	"	8,501,530	53,507	1,061	6,999	935,357	6,456
Gasoline .....	"	348,347	4,620	16,084	308	63	1
Kerosene & Gas Oil .....	"	222,681	2,225	10,937	116	16,393	173
Fuel Oil .....	"	3,004,426	19,763	320,953	2,450	235,364	1,820
Lubricants (excl. grease) .....	"	29,789	1,324	2,836	147	5,190	252
Petroleum Coke .....	m.t.	125,959	1,285	19,844	186	23,902	275
Animal & Vegetable Oils .....	—	—	13,118	—	1,480	—	1,025
Animal Fats & Oils .....	m.t.	117,680	9,173	13,212	979	8,583	652
Vegetable Oils .....	"	37,536	3,695	4,556	475	3,448	357
Chemicals, Drugs .....	—	—	28,874	—	5,089	—	5,201
Manufactured Products by Material .....	—	—	21,052	—	3,847	—	3,839
Hides, Leathers & Furs .....	m.t.	—	964	—	162	—	116
Rubber Goods .....	—	—	230	—	25	—	18
Paper & Related Products .....	m.t.	1,456	229	104	24	146	25
Yarns & Fabrics .....	—	—	3,213	—	157	—	309
Base Metals .....	m.t.	—	1,337	38,241	3,014	28,061	2,720
Iron & Steel .....	"	82,183	3,647	32,271	1,138	22,946	1,048
Other Base Metals .....	"	5,823	4,391	5,970	1,876	5,115	1,672
Machinery & Transportation Equipment .....	—	—	47,665	—	4,461	—	6,163
Machinery (excl. electric machines) .....	—	—	33,258	—	2,913	—	3,818
Electric Machines .....	—	—	6,267	—	771	—	877
Transportation Equipment .....	—	—	8,140	638	777	—	1,468
Miscellaneous .....	—	—	7,895	—	896	—	1,310
Livestock, Pets etc. ....	—	—	124	—	8	—	6
Re-imports Goods .....	—	—	674	—	46	—	91
Total Imports .....	—	—	889,715	—	97,829	—	100,945

Note: Figures of group total include other items not represented above. Figures for value under one thousand are rounded.  
Source: Customs Division, Tax Bureau, Ministry of Finance.



Paid-up Capital: ¥900,000,000.00  
Established: 1915  
Reserve Funds: ¥7,470,509,746.00

#### Business Lines

Marine, Fire, Transport, Motor-car, Personal Accident, Aviation, Burglary, Racing Horse, Export Credit & Fidelity Guarantee, Wind, Storm & Flood, Class, Machine and Automobile insurances.

#### Head Office

No. 5, Kyobashi 1-chome, Chuo-ku, Tokyo, Japan  
Cable Address: "KALMSEA" TOKYO  
Telephone: Kyobashi (56)  
7141-9, 8601-9, 8941-9

#### Branches

Osaka, Kobe, Nagoya, Yokohama and other Principal Cities in Japan.

# TAISHO MARINE & FIRE INSURANCE CO., LTD.

ESTABLISHED IN  
1892

The

## NIPPON FIRE & MARINE INSURANCE CO.

#### BUSINESS LINE:

Fire, Marine, Transit, Personal Accident, Burglary, Automobile, Automobile Liability, Aviation, Fidelity Guarantee, Loss of Profits, Forest Fire, Race Horse, Export Credit, Contract Bond, Windstorm & Flood, Plate Glass and Machinery

#### HEAD OFFICE:

4, Tori-Nichome, Nihonbashi, Chuo-ku, Tokyo, Japan

#### Cable Address:

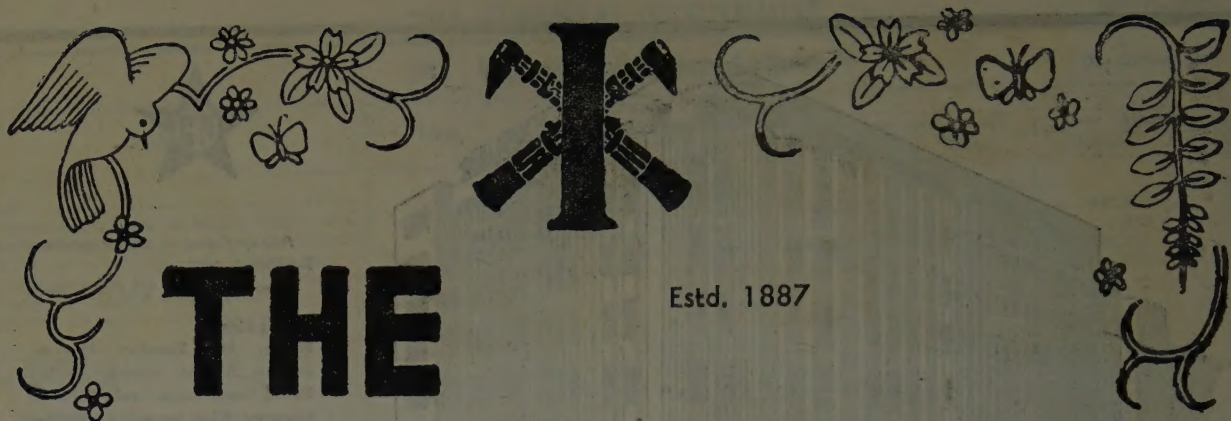
"NIHONKASAI TOKYO"

#### Foreign Correspondents:

C. T. Bowring & Co., (Inc.) Ltd.  
52, Leadenhall Street, London.  
E.C. 3

Albert Willcox & Co., Inc.  
99, John St., New York 38, N.Y.





**THE**

Estd. 1887

**YASUDA**

**FIRE & MARINE  
INSURANCE Co., Ltd.**

HEAD OFFICE:

OTEMACHI, CHIYODA-KU, TOKYO  
Tel. Marunouchi (23) 130 • 13411

BRANCHES:

Osaka, Kobe, Yokohama, Kyoto, Nagoya,  
Fukuoka, Sapporo, Sendai, Kanazawa,  
Niigata, Hiroshima, Takamatsu, Shizuoka,  
Akita, Kumamoto & Principal Cities  
throughout Japan.

BUSINESS TRANSACTED

*Fire, Marine, Transport,  
Personal Accident,  
Automobile, Burglary,  
Boiler, etc.*





# FUJI'S QUALITY PRODUCTS

Pig Iron, Billet, Slab,  
Sheet Bar, Plate, Shape,  
Wire Rod, Hoop, Rail,  
Hot Rolled Sheets, Cold  
Rolled Sheets, Galvanized  
Sheets and By-Products.

## FUJI IRON & STEEL CO., LTD.

Nihonbashi-Edobashi, Chuo-ku, Tokyo

Tel: 27-2551, 2561, 2571 Cable Address: STEELFUJI TOKYO

# YAMAICHI SECURITIES CO., LTD.

**Brokers and Investment Bankers**

Your orders for both Japanese and  
American securities are solicited

*Free information available*

HEAD OFFICE:  
Kabuto-cho, Nihonbashi,  
Tokyo  
Foreign Dept. Tel: 67-3992

NEW YORK OFFICE:  
111 Broadway, New York  
Tel: COrtlandt 7-5680

THE ORIENTAL ECONOMIST

# DAIWA

*Authorized Foreign Exchange Bank*

# BANK



CAPITAL (PAID-UP)

¥4,400,000,000

HEAD OFFICE IN OSAKA WITH 100 BRANCH OFFICES THROUGHOUT JAPAN  
AND A REPRESENTATIVE OFFICE IN NEW YORK



# K

Keep in touch  
with Japan through

*complete  
foreign  
exchange  
banking  
facilities* of



ESTABLISHED 1880

*the* **FUJI BANK, LTD.**

HEAD OFFICE: OTE-MACHI, CHIYODA-KU, TOKYO, JAPAN  
184 BRANCHES THROUGHOUT JAPAN

LONDON BRANCH

Salisbury House, Finsbury Circus,  
London, E.C. 2  
UNITED KINGDOM

NEW YORK AGENCY

42 Broadway, New York, N.Y.  
U.S.A.

CALCUTTA REPRESENTATIVE OFFICE

6th Floor, Mookerjee House  
17, Brabourne Road, Calcutta-1  
INDIA